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**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 18-0036**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Seattle Regional Office  
701 Fifth Avenue, Suite 1600, MS/RX-200  
Seattle, WA 98104



Division of Medicaid & Children's Health Operations

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February 13, 2019

Susan Birch, Director  
MaryAnne Lindeblad, Medicaid Director  
Health Care Authority  
PO Box 45502  
Olympia, WA 98504-5010

**RE: Washington State Plan Amendment (SPA) Transmittal Number 18-0036**

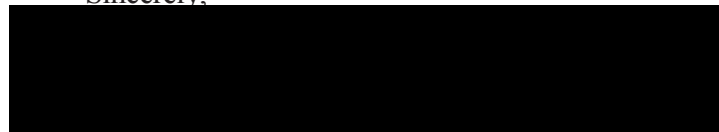
Dear Ms. Birch and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 18-0036. This amendment requested a full two-year exception to the federal requirement for a Recovery Audit Contractor (RAC).

This SPA was officially approved by CMS on February 4, 2019, with an effective date of October 1, 2018. The approved SPA pages and 179 form are enclosed.

If there are additional questions, please contact me or your staff may contact James Moreth at [James.Moreth@cms.hhs.gov](mailto:James.Moreth@cms.hhs.gov) or (206) 615-2043.

Sincerely,



Associate Regional Administrator

cc:  
Ann Myers, SPA Coordinator

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**18-0036**

2. STATE  
Washington

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
October 1, 2018

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
Section 1905(a) of the Social Security Act

7. FEDERAL BUDGET IMPACT:  
a. FFY 2019 \$ 0  
b. FFY 2020 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Numbered Pages 36b, 36c, ~~36d~~

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)

Numbered Pages 36b, 36c, 36d

10. SUBJECT OF AMENDMENT

**Recovery Audit Contractors**

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED: Exempt  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

16. RETURN TO:

Ann Myers  
Office of Rules and Publications  
Division of Legal Services  
Health Care Authority  
626 8<sup>th</sup> Ave SE MS: 42716  
Olympia, WA 98504-2716

13. TYPED NAME: D  
MARYANNE LINDEBLAD

14. TITLE:  
MEDICAID DIRECTOR

15. DATE SUBMITTED:  
11-29-18

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 11/29/18

18. DATE APPROVED: 2/4/19

**PLAN APPROVED – ONE COPY ATTACHED**

Digitally signed by David L. Meacham -S

19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/1/18

20. SIGNATURE: [Redacted Signature]

21. TYPED NAME: David L. Meacham

22. TITLE: Associate Regional Administrator  
Date: 2019.02.13 08:51:05 -08'00'

23. REMARKS:

2/12/19-The state authorized a P&I change to block #8

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

## 4.5b Medicaid Recovery Audit Contractor Program

## Citation

Section 1902(a)(42)(V)(i)  
of the Social Security Act

\_\_\_\_\_ The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.

X  The State is seeking a time-limited exception to establishing such program for the following reasons:

*Washington State is respectfully requesting a full exception to establish a Medicaid RAC program. The State released a Request for Proposal on July 11, 2018 with a due date of September 5, 2018, and once again no bids were received.*

*Approximately 90% of Washington State's Medicaid population is enrolled in managed care and provider network payments are not subject to recovery audit contracting. The State has not received bids from any RAC vendor during the last two RFPs issued.*

*Washington State maintains a robust program integrity oversight program of fee-for-service (FFS) payments and is entering into a Joint Operating Agreement with Qlarant, the UPIC for the Western Region to assist in oversight of FFS expenditures. The State will leverage audits of FFS programs and providers with Qlarant to ensure appropriate oversight of FFS expenditures continue.*

*CMS has approved a time-limited two year full exception to establish a Medicaid RAC program with an effective date of 10/1/18.*

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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Section 1902(2)(42)(B)(ii)(I)  
of the Act

\_\_\_ The State/Medicaid Agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.