

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th Street, Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

June 11, 2020

Karen Kimsey, Director
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219

RE: Virginia State Plan Amendment 20-003

Dear Ms. Kimsey:

The Centers for Medicare & Medicaid Services (CMS) has reviewed Virginia's State Plan Amendment (SPA) 20-003, Recovery Audit Contractor - Exemption. Section 1902(a)(42)(B) of the Social Security Act requires the Department of Medical Assistance Services (DMAS) to have a Medicaid Recovery Audit Contractor (RAC) program. 42 CFR §455.51 allows DMAS to file requests for exceptions to the RAC requirements by submitting a written justification to CMS through the State Plan Amendment process.

The purpose of this State Plan Amendment is to request an exception from the RAC requirements. This SPA is acceptable. Therefore, we are approving SPA 20-003, on June 9, 2020, with an effective date of July 1, 2020. This exception will expire on July 1, 2022. Enclosed is the approved SPA page and signed CMS-179 form.

If you have any questions concerning this information, please contact me at (816) 426-6417, or your staff may contact Margaret Kosherzenko at Margaret.Kosherzenko@cms.hhs.gov or (215) 861-4288.

Sincerely,

James G. Scott, Director
Division of Program Operations

Enclosures

cc:
Emily McClellan

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 0 - 0 0 3

2. STATE

Virginia

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

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

07/1/2020

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

42 CFR Part 455

7. FEDERAL BUDGET IMPACT

a. FFY 2020 \$ -0-
b. FFY 2021 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Pre-Print Page, Page 36b

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same as Box 8

10. SUBJECT OF AMENDMENT

Recovery Audit Contractor – Exemption

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT²⁰²⁰

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED

Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME

Karen Kimsey

14. TITLE

Director

15. DATE SUBMITTED

4/28/2020

16. RETURN TO

Dept. of Medical Assistance Services
600 East Broad Street, #1300
Richmond VA 23219

Attn: Regulatory Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

May 28, 2020

18. DATE APPROVED

June 9, 2020

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

James G. Scott

22. TITLE

Director, Division of Program Operations

23. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
 State of VIRGINIA

4.5b Medicaid Recovery Audit Contractor Program

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| <p><u>Citation</u> § 1902(a)(42)(B)(i) of the Social Security Act</p> <p>§ 1902(a)(42)(B)(ii)(I) of the Act</p> <p>§ 1902(a)(42)(B)(ii)(II)(aa) of the Act</p> | <p>_____ 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.</p> <p><u>X</u> The State is seeking an exception to establishing such program for the following reasons: DMAS has transitioned to a 90% managed care program environment, such that the claims-eligible RAC review has been rendered largely obsolete. Additionally, a search to secure a vendor to operate an efficient RAC program, in this new environment, proved unviable and cost inefficient for Virginia Medicaid.</p> <p>_____ The State/Medicaid agency has contracts of the type(s) listed in § 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.</p> <p>Place a check mark to provide assurance of the following:</p> <p>_____ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>_____ The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p> <p>The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):</p> <p>_____ The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the <i>Federal Register</i>.</p> <p>_____ The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the <i>Federal Register</i>. The State will only submit for FFP up to the amount equivalent to that published rate.</p> |
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TN No. 20-003
 Supersedes
 TN No. 15-014

Approval Date 06/09/2020

Effective Date 7-1-2020