

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street
Dallas, Texas 75202



Regional Operations Group

June 6, 2019

Our Reference: SPA LA 19-0014

Ms. Jen Steele
State Medicaid Director
Department of Health
628 North 4th St.
Post Office Box 91030
Baton Rouge, LA 70821-
9030

Attention: Karen Barnes

Dear Ms. Steele:

We have reviewed the State's proposed amendment to the Louisiana State Plan submitted under Transmittal Number 19-0014 dated May 10, 2019. This state plan amendment is to request an extension of the exemption from participation in the Recovery Audit Contractor program.

Based on the information submitted, we have approved the amendment for incorporation into the official Louisiana State Plan with an effective date change of August 6, 2019. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Tobias Griffin at (214) 767-4425 or by email at Tobias.Griffin@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, slightly slanted style.

Bill Brooks
Director
Regional Operations Group

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

1. TRANSMITTAL NUMBER 19-0014	2. STATE Louisiana
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE August 6, 2019	

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

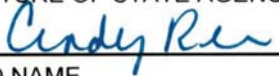
5. TYPE OF PLAN MATERIAL (Check One)
 NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

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


6. FEDERAL STATUTE/REGULATION CITATION Section 1902(a)(42)(B) of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY 2020 \$ 0.00 b. FFY 2021 \$ 0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Section 4.5b, Pages 37 and 38	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 17-0007)

10. SUBJECT OF AMENDMENT **The purpose of this SPA is to request an extension of the exemption from participation in the Recovery Audit Contractor program.**

11. GOVERNOR'S REVIEW (Check One)
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review State Plan material.
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030
13. TYPED NAME Cindy Rives, designee for Rebekah E. Gee MD, MPH	
14. TITLE Secretary	
15. DATE SUBMITTED May 10, 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED May 10, 2019	18. DATE APPROVED June 6, 2019
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL August 6, 2019	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Bill Brooks	22. TITLE Director Regional Operations Group

23. REMARKS **The State requests a pen and ink change to box 10.**

Revision:

State LOUISIANA

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b Medicaid Recovery Audit Contractor Program

<p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</p> <p>Section 1902(a)(42)(B)(ii)(I) of the Act</p> <p>Section 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 requesting an extension of the exception to establishing such program for the following reasons:</p> <ol style="list-style-type: none"> 1. The provisions of Act 568 of the 2014 Regular Session of the Louisiana Legislature excluded claims processed or paid through a capitated Medicaid managed care program from the RAC’s scope of review. 2. The majority of Louisiana’s Medicaid claims are processed or paid through a capitated managed care program. 3. State law limits the potential recoveries, making it difficult to attract potential vendors. Furthermore, the Department has determined that there are adequate auditing processes currently in place through the Surveillance Utilization Review Subsystem (SURS), the Managed Care Special Investigation units and the CMS Unified Program Integrity Contractor (UPIC). <p>_____ The State/Medicaid agency will have contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts will 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. Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.</p>
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TN 19-0014
Supersedes
TN 17-0007

Approval Date 06-06-19

Effective Date 08-06-19

State: Louisiana
Date Received: 05-10-19
Date Approved: 06-06-19
Date Effective: 08-06-19
Transmittal Number: 19-0014

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</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 Federal Register. The fees paid will not exceed the regulatory contingency fee percentage.</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 Federal Register. The State will only submit for Federal Financial Participation (FFP) up to the amount equivalent to that published rate.</p> <p>_____ The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.</p> <p>The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee):</p> <p>Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.</p> <p>_____ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p> <p>_____ The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State Plan or a waiver of the plan.</p> <p>_____ The State assures that the recovered amounts will be subject to State’s quarterly expenditure estimates and funding of the State’s share.</p> <p>Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or state and federal law enforcement entities and the CMS Medicaid Integrity program.</p>
	<p style="border: 1px solid red; padding: 5px;"> State: Louisiana Date Received: 05-10-19 Date Approved: 06-06-19 Date Effective: 08-06-19 Transmittal Number: 19-0014 </p>