



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

FEB 18 2011

Bruce Goldberg, MD, Director
Department of Human Services
Human Services Building
500 Summer Street Northeast, E-15
Salem, Oregon 97301-1097

RE: Oregon State Plan Amendment (SPA) Transmittal Number 11-002

Dear Dr. Goldberg:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional office has completed its review of State Plan Amendment (SPA) Transmittal Number 11-002. This amendment establishes the Medicaid Recovery Audit Contractor Program for Oregon State.

This SPA is approved effective January 1, 2011.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact Erin Cassady at (206) 615-2739 or erin.cassady@cms.hhs.gov.

Sincerely,

Barbara K. Richards
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

cc:

Judy Mohr Peterson, Administrator, Office of Medical Assistance Programs
Sandy Hansen, State Plan Coordinator, Office of Medical Assistance Programs
Jesse Anderson, State Plan Coordinator, Office of Medical Assistance Programs

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

1. TRANSMITTAL NUMBER:
11-02

2. STATE
Oregon

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE
1/1/11

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) of the Act

7. FEDERAL BUDGET IMPACT:
a. 2011 \$ -0-
b. 2012 \$ (825,694)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Section 4.5, page 36b, 36c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

10. SUBJECT OF AMENDMENT: This transmittal is being submitted to implement Recovery Audit Contractors as specified in the Affordable Care Act.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL *Judy Mohr Peterson*

16. RETURN TO:

13. TYPED NAME **Judy Mohr Peterson** *Judy Mohr Peterson* **Bruce Goldberg, MD** *Bruce Goldberg, MD*

Division of Medical Assistance Programs
Department of Human Services
500 Summer Street NE E-35
Salem, OR 97301

14. TITLE: **Administrator, DMAP** **Director, DHS**

ATTN: Jesse Anderson, State Plan Manager

15. DATE SUBMITTED: **1-26-11**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED
19. PLAN APPROVED - ONE COPY ATTACHED	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME	22. TITLE
23. REMARKS	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Medical Assistance Program
State/Territory: OREGON

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

Citation(s)

4.5 Medicaid Recovery Audit Contractor program

Section 1902(a)(42) (b)(i) of the 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.

The State is seeking an exception to establishing such program for the following reasons:

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

* The State is preparing a RFP to seek bids for a Medicaid RAC and expects to enter into a contract before April 1, 2011.”

Place a check mark to provide assurances of the following:

The State will make payments to the RAC(s) only from amounts recovered.

The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

Section 1902(a)(42) (B)(ii)(II)(aa) of the Act 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):

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 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 FFP up to the amount equivalent to that published rate.

TN No. 11-02
Supersedes TN No.

Approval Date:

Effective Date: 1/1/11

FEB 18 2011

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

Medical Assistance Program

State/Territory: OREGON

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

Citation(s)

4.5 Medicaid Recovery Audit Contractor program (Cont)

- 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.
- Section 1902(a)(42)(B)(ii)(II)(bb) Of the Act 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):
- Section 1902(a)(42)(B)(ii)(III) of the Act The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).
- Section 1902(a)(42)(B)(ii)(IV)(aa) of The Act 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.
- Section 1902(a)(42)(b)(ii)(IV)(bb) of The Act The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.
- Section 1902(a)(42)(B)(ii)(IV)(cc) of The Act 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.

TN No. 11-02
Supersedes TN No.

Approval Date:

FEB 18 2011Effective Date: 1/1/11