



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

FEB 18 2011

Richard Armstrong, Director
Department of Health and Welfare
Towers Building – Tenth Floor
Post Office Box 83720
Boise, Idaho 83720-0036

RE: Idaho State Plan Amendment (SPA) Transmittal Number 10-021

Dear Mr. Armstrong:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional office has completed its review of State Plan Amendment (SPA) Transmittal Number 10-021. This amendment establishes the Medicaid Recovery Audit Contractor Program for Idaho State.

This SPA is approved effective April 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:

Leslie Clement, Administrator, Idaho Department of Health and Welfare
Rachel Strutton, State Plan Coordinator, Idaho Department of Health and Welfare

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

1. TRANSMITTAL NUMBER:
10-021

2. STATE
IDAHO

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
~~12/31/10~~ **4/1/2011 (P+I)**

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 6411 of the Affordable Care Act, and section 1902(a)(42) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
None

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Section 4.b, pages 36b and 36c (new pages)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:
This change requires Idaho to have a fully implemented Recovery Audit Contract in place by April 1, 2011.

11. GOVERNOR'S REVIEW (Check One):

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

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
LESLIE M. CLEMENT

14. TITLE:
Administrator

15. DATE SUBMITTED: **12-23-10**

16. RETURN TO:

Leslie M. Clement, Administrator
Idaho Department of Health and Welfare
Division of Medicaid
PO Box 83720
Boise ID 83720-0009

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **DECEMBER 23 2010**

18. DATE APPROVED: **FEB 18 2011**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
APR 04 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Barbara K. Richards

22. TITLE:
Associate Regional Administrator

23. REMARKS:
1/13/2011 - Pen + Ink change authorized by the State.

Division of Medicaid & Children's Health

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: IDAHO

4.5b Medicaid Recovery Audit Contract Program

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:

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

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.

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.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: IDAHO

4.5b Medicaid Recovery Audit Contract Program (continued)

- 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.
- The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments: Underpayment identification will be part of the vendor's scope of work. State is unsure of the methodology that will be used for reimbursement of the contractor for work related to underpayments.
- The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).
- 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.
- The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.
- 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.