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**State/Territory Name: Idaho**

**State Plan Amendment (SPA) #: 16-0007**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 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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January 12, 2017

Lisa Hettinger, Deputy Director  
Department of Health and Welfare  
Towers Building - Tenth Floor  
P.O. Box 83720  
Boise, ID 83720-0036

**RE: ID State Plan Amendment (SPA) Transmittal Number #16-0007 – Approval**

Dear Ms. Hettinger:

We have reviewed the proposed amendment to the Administration of Medicaid Attachment of your Medicaid State plan submitted under transmittal number (TN) 16-0007. This SPA requests a two-year extension (to June 30, 2018) for procurement of a Recovery Audit Contractor (RAC).

We conducted our review of your submittal according to the statutory requirements at section 1902(a)(42)(B) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 16-0007 is approved effective as of July 1, 2016. For your files, we are enclosing the approved CMS-179 transmittal form and amended state plan page.

If there are any questions concerning this approval, please contact me or your staff may contact Tom Couch at [Thomas.couch@cms.hhs.gov](mailto:Thomas.couch@cms.hhs.gov) or (208) 861-9838.

Sincerely,

Digitally signed by David L. Meacham -S


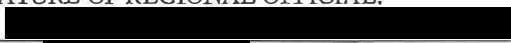
A solid black rectangular box used to redact the signature of David L. Meacham.

David L. Meacham  
Associate Regional Administrator

Enclosures

cc:

Tracy Lombard, Idaho Department of Health and Welfare  
Dea Kellom, Idaho Department of Health and Welfare

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>ID SPA 16-0007</b>	2. STATE <b>IDAHO</b>
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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 July 1, 2016	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: 1902(a)(42)(B)		7. FEDERAL BUDGET IMPACT: No anticipated budget impact.	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Section 4, Page 36b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): Section 4, Page 36b	
10. SUBJECT OF AMENDMENT: Request for Exemption of RAC Contract			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  Lisa Hettinger, Medicaid Director Idaho Department of Health and Welfare Division of Medicaid PO Box 83720 Boise ID 83720-0009	
13. TYPED NAME: LISA HETTINGER			
14. TITLE: Medicaid Director			
15. DATE SUBMITTED: 6/21/16			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 6/21/2016		18. DATE APPROVED: 1/12/2017	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: David L. Meacham		22. TITLE: Associate Regional Administrator	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: IDAHO

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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 a time extension of two years, to develop a new RAC Procurement Request for Proposal (RFP) for the following reasons:

The State did not receive any bids from vendors in response to the initial Procurement RFP, and Idaho's current contract with the RAC expired on June 30, 2016. The state is re-evaluating and needs additional time for re-procurement.

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.

Place a check mark to provide assurance 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.

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.