

Table of Contents

State/Territory Name: Maryland

State Plan Amendment (SPA) #: 14-03

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
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations

SWIFT #020720144034

JUL 23 2014

Chuck Lehman, Interim Deputy Secretary
Health Care Financing
Maryland Department of Health and Mental Hygiene
201 West Preston Street, Room 525
Baltimore, MD 21201

Dear Mr. Lehman:

Enclosed is a copy of the approved State Plan Amendment (SPA), Transmittal Number 14-03. This SPA reflects Maryland's current exemption due to lack of a Recovery Audit Contractor (RAC), and the need for a protocol in the absence of one.

The effective date for this amendment is January 1, 2014. The CMS-179 form and the approved State Plan pages are enclosed.

If you have questions about this SPA, please contact Lieutenant Commander Andrea Cunningham of my staff at (215) 861-4325.

Sincerely,
/S/


Francis McCullough
Associate Regional Administrator

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL

1. TRANSMITTAL NUMBER:
14-03

2. STATE
Maryland

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

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
January 1st, 2014

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:

N/A

7. FEDERAL BUDGET IMPACT:

a. FFY 2014: \$ 67,500

b. FFY 2015: \$ 90,000

8. PAGE NUMBER OF THE PLAN SECTION OR
ATTACHMENT:

Att 1, pg 79y - 79y-1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Att 1, pg 79y - 79y-1 (TN #12-14)

10. SUBJECT OF AMENDMENT: Updating the State Plan to reflect Maryland's current exemption due to lack of
Recovery Audit Contractor and its protocol while without one.

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:

Susan J. Tucker, Executive Director
Office of Health Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:
/S/

13. TYPED NAME: Charles J. Milligan, Jr.

14. TITLE: Deputy Secretary,
Office of Health Care Financing

15. DATE SUBMITTED: 2/7/14

16. RETURN TO:

Susan J. Tucker, Executive Director
OHS - DHMH
201 W. Preston St., 1st floor
Baltimore, MD 21201

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 02/07/2014

18. DATE APPROVED: JUL 23 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JAN 01 2014

20. SIGNATURE OF REGIONAL OFFICIAL:
/S/

21. TYPED NAME:
FRANCIS T. MCCULLOUGH

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR

23. REMARKS:

Revision:

State/Territory: Maryland**SECTION 4 - GENERAL PROGRAM ADMINISTRATION****4.5 Medicaid Recovery Audit Contractor Program**

Citation Section 1902(a)(42)(B)(i) Of the Social Security Act	<p><input type="checkbox"/> 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>
Section 1902(a)(42)(B)(ii)(I) of the Act	<p><input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p>The state does not currently have a RAC vendor. Maryland posted two RFPs and received no acceptable bids. Based on the procurement process involved, Maryland will have a new contractor in place no later than November 1, 2014.</p> <p><input checked="" type="checkbox"/> 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.</p>
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	<p>Place a check mark to provide assurance of the following:</p> <p><input checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p>In accordance with State regulations and State Operating Budget SB 125 (2004), providers must pay the amount overpaid plus a contingency fee which is a percentage of the recovery amount. The overpayment and contingency fee from the provider is collected by the State.</p> <p><input checked="" type="checkbox"/> 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><input type="checkbox"/> 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.</p>
	<p><input type="checkbox"/> 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.</p>

Revision:

State/Territory: Maryland**SECTION 4 - GENERAL PROGRAM ADMINISTRATION****4.5 Medicaid Recovery Audit Contractor Program**

	<p><u>X</u> 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>
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	<p><u>X</u> 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>The contingency fee that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. Maryland is requesting to exceed the contingency fee rate by 5%.</p>
Section 1902 (a)(42)(B)(ii)(III) of the Act	<p><u>X</u> The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	<p><u>X</u> 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 waiver of the plan.</p>
Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act	<p><u>X</u> The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p>
Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act	<p><u>X</u> 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>