

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



JAN 10 2012

Stephen Fitton, Medicaid Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Loni Hackney

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal #11-013: Exception to the Medicaid RAC implementation date
- Effective Date: March 31, 2012

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

A black rectangular redaction box covering the handwritten signature of Verlon Johnson.

Verlon Johnson
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

11 - 13

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

March 31, 2012

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)(1) of SSA

7. FEDERAL BUDGET IMPACT:

a. FFY 2012 \$ 0

b. FFY 2013 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

General Program Administration, Page 36a of Section
4.5(a)(1)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

General Program Administration, Page 36a of Section
4.5(a)(1)

10. SUBJECT OF AMENDMENT:

This amendment requests an exception to the Medicaid RAC January 1, 2012 implementation date published in CMS' September 16, 2011 final rule. The State proposes to implement its program by March 31, 2012.

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:
Stephen Fitton, Director
Medical Services Administration

12. AGENCY OFFICIAL:

13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

November 30, 2011

16. RETURN TO:

Medical Services Administration
Actuarial Division
Capitol Commons Center - 7th Floor
400 South Pine Street
Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

12/7/11

18. DATE APPROVED:

JAN 10 2012

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

3/31/12

20. SIGNATURE:

21. TYPE NAME:

Verlon Johnson

22. TITLE:

Associate Regional Administrator

23. REMARKS:

Revision: HCFA-PM-88-10 (BERC)

SEPTEMBER 1988

State: MICHIGANCitation

4.5(a)(1)

Medicaid Recovery Audit Contractor Program

Section
1902(a)(42)(B)(i)
of the Social
Security 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:
CMS' SEPTEMBER 16, 2011, PUBLICATION OF THE MEDICAID RAC FINAL RULE DOES NOT PROVIDE SUFFICIENT TIME FOR THE STATE TO COMPLETE ITS PROCUREMENT PROCESS AND IMPLEMENT THE PROGRAM BY JANUARY 1, 2012. THE STATE PROPOSES AN IMPLEMENTATION DATE OF MARCH 31, 2012.

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)(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.

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.
- ☐ 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.

TN NO.: 11-13Approval Date: JAN 10 2012Effective Date: 03/31/2012

Supersedes
TN No.: 10-23