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State/Territory Name: Missouri

State Plan Amendment (SPA) #: 20-0007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 355
Kansas City, Missouri 64106-2898



Medicaid and CHIP Operations Group

July 01, 2020

Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, MO 65102-1527

Re: Missouri State Plan Amendment (SPA) 20-0007

Dear Ms. Tidball:

On May 7, 2020, the Centers for Medicare & Medicaid Services (CMS) received Missouri State Plan (SPA) No. 20-0007. This SPA was submitted to request a waiver of the regulatory requirement at 42 CFR 455, Subpart F to enter into a contract with a Medicaid Recovery Audit Contractor (RAC) vendor to identify overpayments and underpayments and to recoup overpayments.

We are pleased to inform you that SPA 20-0007 was approved on June 25, 2020, with an effective date of April 1, 2020, as requested by the State, through March 31, 2022. At this time, it is not permissible to grant an exception to this policy indefinitely or for more than two years. Enclosed is a copy of the CMS 179 summary form, as well as the approved pages for incorporation into the Missouri State Plan.

If you have any questions regarding this matter you may contact Deborah Read (816) 426-5925 or by e-mail at Deborah.read@cms.hhs.gov.


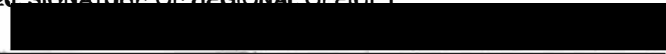
Sincerely,

A black rectangular box redacting the signature of Ruth A. Hughes.

Ruth A. Hughes, Acting Director
Division of Program Operations

Enclosures

cc: Todd Richardson, SMD, MHD
Glenda Kremer, MHD
Megan Buck, Program Branch Manager
Marissa Crump, MHD

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 20 00 07	2. STATE MO
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE April 1, 2020	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 42 CFR 455.516	7. FEDERAL BUDGET IMPACT a. FFY 2020 \$ 0 b. FFY 2021 \$ 0		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT 36b, 36bb	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) 36b, 36bb		
10. SUBJECT OF AMENDMENT Waiver of State's requirement to contract with a Recovery Audit Contractor (RAC)			
11. GOVERNOR'S REVIEW (Check One) JLU <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 OFFICIAL 	16. RETURN TO MO HealthNet Division P.O. Box 6500 Jefferson City, MO 65102		
13. TYPED NAME Jennifer Tidball			
14. TITLE Acting Director			
15. DATE SUBMITTED 05-07-2020			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED 05/07/2020	18. DATE APPROVED 06/25/2020		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL 04/01/2020	20. SIGNATURE OF REGIONAL OFFICIAL 		
21. TYPED NAME Ruth A. Hughes	22. TITLE Acting Director, Division of Program Operations		
23. REMARKS			

State: Missouri

PROPOSED SECTION 4 – GENERAL PROGRAM ADMINISTRATION**4.5 Medicaid Recovery Audit Contractor Program**

<u>Citation</u>	<p><u> </u> 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>
<p>Section 1902(a)(42)(B)(i) of the Social Security Act</p>	<p><u> </u> The State is seeking an exception to establishing such program until April 1, 2022 for the following reasons:</p>
<p>Section 1902(a)(42)(B)(ii)(I) of the Act</p>	<p>The request for proposal for a recovery audit contractor to begin work December 1, 2015 was issued June 30, 2015 – RFP B3Z15262. The response period closed July 30, 2015. Missouri received no responses. A second request for proposal for a recovery audit contractor to begin work on December 1, 2015 was issued August 13, 2015 – RFP B3Z16035. The response period closed September 14, 2015. Missouri received no responses. Missouri’s previous contractor was Cognosante, LLC. The Cognosante project manager advised our office that Cognosante did not intend to bid during the response period because the RAC area of business was not cost-beneficial for their company. Missouri did not receive feedback from other vendors regarding their decisions not to place a bid but for the following reasons Missouri has chosen not request any additional proposals.</p>
<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<p>This SPA will be in effect for two (2) years, and as long as Missouri maintains a program to recover credit balances on patient accounts and maintains a strong and effective program to recover improperly paid monies through Program Integrity efforts.</p> <p>Factors supporting Missouri’s exception:</p> <ol style="list-style-type: none"> 1. Missouri holds a contract with HMS, in part to provide Credit Balance Audits, a function previously provided under the Cognosante contract. HMS continues to recover more in credit balance audit recoveries than Cognosante previously recovered in its most recent year. 2. Missouri has strong and effective controls to minimize the risk of improper payments, including recoveries from provider audits, special projects, investigations, and cost avoidance measures. Missouri works closely with the Medicaid Fraud Control Unit referring many cases for prosecution in each State Fiscal Year.

	<p>3. The final rule at § 455.506(a)(1) indicates, “States may exclude Medicaid managed care claims from review by Medicaid RAC,” Managed care claims comprise approximately 18% of the Missouri Medicaid payments for health care as Missouri’s managed care penetration is 80%.</p> <p><input 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> <p>Place a check mark to provide assurance of the following:</p> <p><input type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input 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>
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