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State/Territory Name: Tennessee

State Plan Amendment (SPA) #:17-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

May 10, 2017

Wendy Long, MD
Director, Bureau of TennCare
310 Great Circle Road
Nashville, TN 37243

Re: TN SPA 17-0001 (RAC SPA)

Dear Dr. Long:

Enclosed is an approved copy of Tennessee's State Plan Amendment (SPA) 17-0001 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 31, 2017. SPA 17-0001 requested an exemption to the required Medicaid Recovery Audit Contractor (RAC) Program. Due to Tennessee's Medicaid program being operated as a managed care delivery system, the state has determined that a RAC vendor is difficult to obtain and maintain because little to no revenue can be generated.

Based on the information provided, the Medicaid State Plan Amendment 17-0001 was approved on May 10, 2017. The effective date of this SPA is January 1, 2017. The signed 179 and approved plan pages are enclosed.

If you have questions regarding this amendment, please contact Kenni Howard at (404) 562-7413 or via email at kenni.howard@cms.hhs.gov.

Sincerely,

//s//

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

Revision:

State: Tennessee

4.5b Medicaid Audit Contractor Program - continued.

<p>Section 1902(a)(42)(B)(ii) (II)(bb) of the Act</p>	<p>— 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> <p>— 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 Medicaid RAC will be paid an equivalent percentage contingency fee for the identification of underpayments.</p>
<p>Section 1902(a)(42)(B)(ii) (III) of the Act</p>	<p>— The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
<p>Section 1902(a)(42)(B)(ii) (IV)(aa) of the Act</p>	<p>— 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.</p>
<p>Section 1902(a)(42)(B)(ii) (IV)(bb) of the Act</p>	<p>— The State assures that the recovered amounts will be subject to State's quarterly expenditure estimates and funding of the State's share.</p>
<p>Section 1902(a)(42)(B)(ii) (IV)(cc) of the Act</p>	<p>— 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>

TN No. 17-0001

Supersedes

TN No. 10-005

Approval Date: 05/10/17

Effective Date: 01/01/17