

Table of Contents

State/Territory Name: Texas

State Plan Amendment (SPA) #: 18-0017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

September 13, 2018

Our Reference: TX SPA 18-0017

Ms. Stephanie Muth
State Medicaid Director
Texas Health and Human Services Commission
Mail Code: H100
P.O. Box 13247
Austin, Texas 78711

Dear Ms. Muth:

We have reviewed the State's proposed amendment to your Medicaid State Plan submitted under Transmittal Number (TN) 18-0017, dated August 3, 2018. This amendment requests two exemptions to 42 Code of Federal Regulations (CFR) 445.508. Specifically, the State is requesting an exemption to 42 CFR 455.508(b) to allow the State's recovery audit contractor (RAC) to maintain and utilize a panel of physicians with a variety of specialties, including a contracted physician with a Texas license, in lieu of hiring a minimum of 1.0 full-time equivalent Medical Director who is licensed to practice in the State. The panel approach allows reviews to be conducted by the physicians with medical specialties that align with the specialty under review.

The State is also requesting an exemption to 42 CFR 445.508(f) to allow the State's RAC to review claims that are up to five years old, with the start date being the date the claim was submitted to the State or one of its agents. Extending the look-back period to five years (from the current three-year period) will enable the RAC to operate within limitations that are consistent with state Medicaid guidelines contained in the Texas Medicaid Provider Procedures Manual.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas state plan with an effective date of August 15, 2018, as requested. A copy of the CMS-179 form as well as the approved plan pages are included with this letter.



If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by e-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

Cc: Dana Williamson, Manager, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 18-0017	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: August 15, 2018	
5. TYPE OF PLAN MATERIAL (Circle One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §455.508(b) 42 CFR §455.508(f)		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2018 \$0 b. FFY 2019 \$0 c. FFY 2020 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT TO BLOCKS 8 & 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT TO BLOCKS 8 & 9	
10. SUBJECT OF AMENDMENT: <p>The purpose of this amendment is to request two exemptions to 42 CFR §455.508. Specifically, the State is requesting an exemption to 42 CFR §455.508(b) to allow the State's recovery audit contractor to maintain and utilize a panel of physicians with a variety of specialties, including a contracted physician with a Texas license, in lieu of hiring a minimum of 1.0 full-time equivalent Medical Director who is licensed to practice in the State. The panel approach allows reviews to be conducted by physicians with medical specialties that align with the specialty under review.</p> <p>The State is also requesting an exemption to 42 CFR §455.508(f) to allow the State's recovery audit contractor to review claims that are up to five years old, with the start date being the date the claim was submitted to the State or one of its agents. Extending the look-back period to five years (from the current three-year period) will enable the recovery audit contractor to operate within limitations that are consistent with state Medicaid guidelines contained in the Texas Medicaid Provider Procedures Manual.</p>			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <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: Stephanie Muth State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Stephanie Muth			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: August 3, 2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: August 3, 2018		18. DATE APPROVED: September 13, 2018	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: August 15, 2018		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health	
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 18-0017

**Number of the
Plan Section or Attachment**

Basic State Plan
Page 36b

**Number of the Superseded
Plan Section or Attachment**

Basic State Plan
Page 36b (TN 14-045)

State: Texas
Date Received: 08-03-18
Date Approved: 09-13-18
Date Effective: 08-15-18
Transmittal Number: 18-0017

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Texas

4.5 Medicaid Agency Fraud Detection and Investigation

4.5b - Medicaid Recovery Audit Contractor Program

<p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</p> <p>Section 1902(a)(42)(B)(ii)(I) of the Social Security Act</p>	<p><u> X </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><u> X </u> The State is seeking an exception to establishing such program for the following reasons:</p> <p style="padding-left: 40px;">The State is exempt from 42 CFR §455.508(b) to the extent that it may allow the State's recovery audit contractor to maintain and utilize a panel of physicians with a variety of specialties, including a contracted physician with a Texas license, in lieu of hiring a minimum of 1.0 full-time equivalent Medical Director who is licensed to practice in the State.</p> <p style="padding-left: 40px;">The State is exempt from 42 CFR §455.508(f) to the extent that it may allow the State's recovery audit contractor to review claims that are up to five years old, with the start date being the date the claim was submitted to the State or one of its agents.</p> <p><u> X </u> 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><u> X </u> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><u> X </u> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

TN: 18-0017

Approval Date: 09-13-18

Supersedes TN: 14-045

Effective Date: 08-15-18

State: Texas
Date Received: 08-03-18
Date Approved: 09-13-18
Date Effective: 08-15-18
Transmittal Number: 18-0017