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State/Territory Name: Vermont

State Plan Amendment (SPA) #: VT 11-0033

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



CENTERS for MEDICARE & MEDICAID SERVICES

Division of Medicaid and Children's Health Operations / Boston Regional Office

March 2, 2012

Douglas A. Racine, Secretary
Department of Vermont Health Access
103 South Main Street
Waterbury, VT 05671-0204

Dear Secretary Racine:

We are pleased to enclose a copy of approved State plan amendment (SPA) No. 11-033 with an effective date of January 1, 2012, as requested by your Agency.

This SPA transmitted a proposed amendment to your approved Title XIX State plan to address Section 6411 of the Affordable Care Act (ACA) regarding the Medicaid Recovery Audit Contractors (RAC) program.

We are approving this SPA as revised. The State requested an exemption from implementing a Medicaid RAC program because more than 95 percent of Vermont's Medicaid beneficiaries are enrolled in managed care. Therefore, a RAC program to monitor such a small Medicaid claims and beneficiary population would not be cost-beneficial to the State.

The State submitted a revised version of the State plan page to acknowledge the RAC program exemption, as requested by CMS during the review of this SPA. This SPA will be in effect as long as the current Global Commitment to Health Section 1115(a) Demonstration (project number 11-W-00194/1) is in effect. Prior to the expiration of the Demonstration's renewal period on 12/31/2013, the State must submit to CMS either a SPA containing a new request for an exemption, or a SPA establishing a RAC program.

If there are questions, please contact Robert Cruz at (617) 565-1257.

Sincerely,

S


Richard R. McGreal
Associate Regional Administrator


Enclosure

cc: Mark Larson, Commissioner
Suzanne Santarcangelo, Ph.D., Director, AHS Healthcare Operations, Compliance & Improvement
Lindsey Wells, Health Programs Administrator, Department of Vermont Health Access

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11 -- 033	2. STATE: VERMONT
FOR: CENTERS FOR MEDICARE AND 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(S) JANUARY 1, 2012	
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 COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 455.506(a)(1)		7. FEDERAL BUDGET IMPACT: a. FFY 2012 \$ 0 b. FFY 2013 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 36B		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) 36B & 36C	

10. SUBJECT OF AMENDMENT: RECOVERY AUDIT CONTRACTOR (RAC) UPDATE

11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED SIGNATURE OF SECRETARY OF ADMINISTRATION 	
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12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: LINDSEY WELLS
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13. TYPED NAME: DOUGLAS A. RACINE	DEPARTMENT OF VERMONT HEALTH ACCESS 312 HURRICANE LANE, SUITE 201 WILLISTON, VT 05495
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14. TITLE: SECRETARY, AGENCY FOR HUMAN SERVICES	
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15. DATE SUBMITTED: 12/12/11	
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FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 12/12/11	18. DATE APPROVED: 03/02/12
PLAN APPROVED: ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/12	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Richard R. McGreal	22. TITLE: Associate Regional Administrator, Division of Medicaid and Children's Health Operations, Boston Regional Office

23. REMARKS: Please note:
This SPA will be in effect as long as the current Global Commitment to Health Section 1115(a) Demonstration (project number 11-W-00194/1) is in effect. Prior to the expiration of the Demonstration's renewal period on 12/31/2013, the State must submit to CMS either a SPA containing a new request for an exemption, or a SPA establishing a RAC program.

New: December 31, 2010

State: Vermont

4.5b Medicaid Recovery Audit Contractor Program

Citation

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:

More than 95% of Vermont's Medicaid beneficiaries are enrolled in managed care. The number of Vermont Medicaid beneficiaries and the associated claims expenditures in non-managed care programs is too low to attract a Recovery Audit Contractor compensated on a contingency fee basis.

Section 1902(a)(42)(B)(ii)(I)
of the Act

This SPA will be in effect as long as the current GC Waiver is in effect. At the expiration of the waiver's renewal period, Vermont must submit to CMS either:

- a) A new request for an exemption; or
- b) A SPA establishing a Medicaid RAC program.

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:

Section 1902
(a)(42)(B)(ii)(II)(aa) of the Act

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.

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.

TN No. 11-033
Supersedes
TN No. 11-005

Effective Date: 01/01/12

Approval Date: 3/2/12