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**State/Territory Name: VT**

**State Plan Amendment (SPA) #:17-0003**

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



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

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May 2, 2017

Al Gobeille, Secretary  
Vermont Agency of Human Services  
280 State Drive  
Waterbury, Vermont 05671-1010

Dear Secretary Gobeille:

We are pleased to enclose an approved copy of Vermont's approved State plan amendment (SPA) No. 17-0003 with an effective date of January 1, 2017, as requested by your Agency.

This SPA amended your Title XIX State plan to continue VT's exemption from the recovery audit contractor (RAC) requirements found in Section 1902(a)(42)(B) of the Social Security Act.

Enclosed are the following pages to be incorporated within your State plan:

- State Plan page 36b

If there are questions, please contact Tom Schenck at (617) 565-1325, or [tom.schenck@cms.hhs.gov](mailto:tom.schenck@cms.hhs.gov).

Sincerely,

A black rectangular redaction box covering the signature of Richard R. McGreal.

Richard R. McGreal  
Associate Regional Administrator

Enclosure

cc: Corey Gustafson, Commissioner  
Dylan Frazer, Health Programs Administrator, Policy Unit  
Ashley Berliner, Director of Healthcare Policy and Planning

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER:  17-0003	2. STATE:  VERMONT
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)	
		4. PROPOSED EFFECTIVE DATE(S)  1/1/17	
5. TYPE OF PLAN MATERIAL (CHECK ONE):  <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> NEW STATE PLAN</span> <span><input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN</span> <span><input checked="" type="checkbox"/> AMENDMENT</span> </div> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:  42 CFR §430.12(c)(1)(ii)		7. FEDERAL BUDGET IMPACT: a. FFY 2017      \$ 0.00 b. FFY 2018      \$ 0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  36b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> )  36b	
10. SUBJECT OF AMENDMENT:      Recovery Audit Contractor			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input checked="" 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 Susanne R. Young <small><i>Digitally signed by Susanne R. Young Date: 2017.03.31 13:59:16 -04'00'</i></small>	
12. SIGNATURE OF STATE AGENCY OFFICIAL:  <div style="text-align: center;">             Al Gobeille  <small><i>Digitally signed by Al Gobeille Date: 2017.03.27 14:10:35 -04'00'</i></small> </div>		16. RETURN TO:  DYLAN FRAZER  AGENCY OF HUMAN SERVICES 280 STATE DRIVE, CENTER BUILDING WATERBURY, VT 05671-1000	
13. TYPED NAME: AL GOBEILLE			
14. TITLE: SECRETARY, AGENCY OF HUMAN SERVICES			
15. DATE SUBMITTED:      3/31/17			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:      3/31/2017		18. DATE APPROVED:      5/2/2017	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL:      1/01/2017		20. SIGNATURE OF REGIONAL OFFICIAL: <div style="background-color: black; height: 20px; width: 100%;"></div>	
21. TYPED NAME:      Richard R. McGreal		22. TITLE      Associate Regional Administrator	
23. REMARKS			

State: Vermont**4.5b Medicaid Recovery Audit Contractor Program**CitationSection 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:

Vermont Medicaid operates a managed care-like model under the 1115 Global Commitment to Health waiver. As part of this approval, DVHA shall comply with federal program integrity and audit requirements for services and populations covered under the demonstration in accordance with the waiver's Special Terms and Conditions. This SPA is in effect for the duration of the current Global Commitment waiver approval, which lasts until 12/31/21.

- ☐ 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.

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.

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

TN No. 17-0003  
Supersedes  
TN No. 13-025

Effective Date: 01/01/17Approval Date: 5/2/17