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State/Territory Name: Washington

State Plan Amendment (SPA) #: 12-009

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

Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

MAR 23 2012

Douglas Porter, Director
Health Care Authority
Post Office Box 45502
Olympia, Washington 98504-5502

RE: Washington State Plan Amendment (SPA) Transmittal Number 12-009

Dear Mr. Porter:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional office has completed its review of State Plan Amendment (SPA) Transmittal Number 12-009. In this amendment Washington is seeking an exception to the Final Rule's required implementation date of January 1, 2012, for its Medicaid Recovery Audit Contractor (RAC) Program. The State is in the process of procuring a RAC and expects to enter into a contract before June 1, 2012. In addition, the SPA states that the RAC will be paid based on a proposed flat fee schedule per identified underpayment.

This SPA is approved effective January 1, 2012.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact Erin Cassady at (206) 615-2739 or erin.cassady@cms.hhs.gov.

Sincerely,

A black rectangular box redacts the signature of Carol J.C. Pevenly.

Carol J.C. Pevenly
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

cc: MaryAnne Lindeblad, Assistant Secretary, Aging and Disability Services Administration

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
12-009

2. STATE
Washington

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
January 1, 2012

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
1902(a)(42) of the Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2012 \$ 0
b. FFY 2013 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Numbered Pages 36b, 36c (P&I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Numbered Pgs 36b, 36c (P&I)

10. SUBJECT OF AMENDMENT:

Recovery Audit Contractors

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Exempt

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
DOUG PORTER

14. TITLE:
DIRECTOR

15. DATE SUBMITTED:

March 6, 2012

16. RETURN TO:

Ann Myers
Office of Rules and Publications
Legal and Administrative Services
Health Care Authority
626 8th Ave SE MS: 45504
Olympia, WA 98504-5504

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: March 6, 2012

18. DATE APPROVED: March 23, 2012

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2012

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Carol J. C. Peverly

22. TITLE:
Associate Regional Administrator
Division of Medicaid &
Children's Health

23. REMARKS:

3/6/12 - Pen & Ink changes authorized by the State on 3/6/12.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

4.5b Medicaid Recovery Audit Contractor Program

CitationSection 1902(a)(42)(V)(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.

 X The State is seeking an exception to establishing such program for the following reasons:

Washington is seeking an exception to the January 1, 2012, implementation date described in the Final Rule. No later than June 1, 2012, Washington will have an RAC contract in place that adheres to the attestations in this SPA.

Section 1902(2)(42)(B)(ii)(I)
of the Act

 X 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.

Note: The State is in the process of procuring an RAC and expects to enter into a contract before June 1, 2012.

Place a check mark to provide assurance of the following:

 X The State will make payments to the RAC(s) only from amounts recovered.

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

 X 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):

 X 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.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

4.5b Medicaid Recovery Audit Contractor Program (cont)

 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.

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

 X 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):

Washington will pay the RAC based on a proposed flat fee schedule for the identification of underpayments, per identified underpayment.

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

 X The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).

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

 X 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 waiver of the plan.

Section 1902(a)(42)(B)(ii)(IV)(bb)
of the Act

 X The State assures that the recovered amounts will be subject to the State's quarterly expenditure estimates and funding of the State's share.

Section 1902(a)(42)(B)(ii)(IV)(cc)
of the Act

 X 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.

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