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State/Territory Name: AL

State Plan Amendment (SPA) #: 22-0010

This file contains the following documents in the order listed:

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

## DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services 601 E. 12th St., Room 355 Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

November 23, 2022

Ms. Stephanie McGee Azar, Commissioner Alabama Medicaid Agency 501 Dexter Avenue P.O. Box 5624 Montgomery, AL 36103-5624

Re: Alabama State Plan Amendment (SPA) 22-0010

Dear Commissioner Azar:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) AL 22-0010. The State is seeking an exception to 42 CFR §455.502(b), the Medicaid Recovery Audit Contractor (RAC) program. The State did not procure a vendor in response to the Medicaid RAC Services Request for Proposals issued on June 1, 2017, and August 7, 2019, and May 6, 2022.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR §455.502(b). This letter is to inform you that Alabama Medicaid SPA 22-0010 was approved on November 23, 2022, with an effective date of October 1, 2022 through September 30, 2024.

Enclosed are copies of the approved CMS-179 summary form and the approved SPA page to be incorporated into the Alabama State Plan.

If you have any questions, please contact Rita Nimmons at (404) 562-7415 or via email at Rita. Nimmons@cms.hhs.gov.

Sincerely,

Nicole McKnight, Acting Director Division of Program Operations

Enclosures

cc: Stephanie Lindsay Daphne Gill Yolanda Morris

| TRANSMITTAL AND NOTICE OF APPROVAL OF<br>STATE PLAN MATERIAL  | 2 2 — 0 0 1 0 A L  |
|---|--|
| FOR: CENTERS FOR MEDICARE & MEDICAID SERVICE  | S PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI   |
| TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES  | 4. PROPOSED EFFECTIVE DATE October 1, 2022                           |
| 5. FEDERAL STATUTE/REGULATION CITATION  | 6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)                  |
| 42 CFR 455.502(b)   | a FFY 2021 \$ 0<br>b FFY 2022 \$ 0                                   |
| 7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  | 8. PAGENUMBER OF THE SUPERSEDED PLAN SECTION                         |
| Section 4.5, Page 36.1  | OR ATTACHMENT (If Applicable) Section 4.5, Page 36.1                 |
| 9. SUBJECT OF AMENDMENT   |  |
| The primary purpose for this amendment is to seek an exception (RAC) program.   | n to 42 CFR 455.502(b), the Medicaid Recovery Audit Contractor       |
| 10. GOVERNOR'S REVIEW (Check One)  GOVERNOR'S OFFICE REPORTED NO COMMENT COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED THIN 45 DAYS OF SUBMITTAL | OTHER, AS SPECIFIED: Governor's designee on file via letter with CMS |
| 11 SCHATURE OF STATE ACTUCY OFFICIAL  | 75. RETURN TO  |
|   | Stephanie McGee Azar   |
| 12. TYPED NAME Stephanie McGee Azar   | H Commissioner  Alabama Medicaid Agency                              |
| 13. TITLE   | Post Office Box 5624   |
| Commissioner  14. DATE SUBMITTED 4 1 22   | Montgomery, Alabama 36103-5624                                       |
|   | USE ONLY   |
| 16. DATE RECEIVED<br>September 1, 2022  | 17. DATE APPROVED<br>November 23, 2022                               |
|   | ONE COPY ATTACHED  |
| 18. EFFECTIVE DATE OF APPROVED MATERIAL   | 19. SIGNATURE OF APPROVING OFFICIAL                                  |
| October 1, 2022   | 21. TITLE OF APPROVING OFFICIAL.                                     |
| 20. TYPED NAME OF APPROVING OFFICIAL  |  |
| Nicole McKnight   | Acting Director, Division of Program Operations                      |
| 22. REMARKS   |  |
| FORM CMS-179(09/24) Instruction   | ons on Back  |

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State: ALABAMA

## **SECTION 4 - GENERAL PROGRAM ADMINISTRATION**

## 4.5 Medicaid Recovery Audit Contractor Program

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|---|--|
| Citation  |  |
| Section 1902(a)(42)(B)(i)<br>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:  |
|   | The State is seeking an exception to 42 CFR §455.502(b), the Medicaid Recovery Audit Contractor (RAC) program. The State did not procure a vendor in response to the Medicaid RAC Services Request for Proposals issued on June 1, 2017, August 7, 2019, and May 6, 2022. Alabama believes that potential bidders are not bidding on the Request for Proposal because RACs are paid on a contingency fee basis, and it does not appear to be enough of an incentive to take on the RAC contract. |
| Section 1902(a)(42)(B)(ii)(I) of the Act                | 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.   |
| Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act          | 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 recovered overpayments (e.g., the percentage of the contingency fee):   |
| Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act          | The State attests that if 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   |

TN No. <u>AL-22-0010</u> Supersedes

TN No. AL-20-0010

Effective Date: 10/01/22