

## **Table of Contents**

**State/Territory Name: Connecticut**

**State Plan Amendment (SPA) #: 25-0009**

**This file contains the following documents in the order listed:**

- 1) Approval Letter
- 2) Form CMS-179
- 3) Approved SPA Pages

**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

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March 21, 2025

Andrea Barton Reeves, J.D., Commissioner  
Department of Social Services  
55 Farmington Avenue  
Hartford, CT 06105

Re: Connecticut State Plan Amendment (SPA) 25-0009

Dear Ms. Reeves:

We reviewed your proposed Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0009. This amendment looks to enable recoveries of overpayments in the Medicaid State Plan. The Medicaid recovery audit contractors seek to increase the maximum allowable Medicaid contingency fee from 12.5 percent to 17.46 percent for all claim types.

We conducted our review of your submittal according to statutory requirements in Social Security Act Sections 1902(a)(42)(b) and 42 CFR 455.51. This letter informs you that Connecticut's Medicaid SPA TN 25-0009 was approved on March 20, 2025, effective January 1, 2025.

Enclosed are copies of Form CMS-179 and the approved SPA pages to be incorporated into the Connecticut State Plan.

If you have any questions, please contact Marie DiMartino at (617) 565-9157 or via email at [Marie.DiMartino@cms.hhs.gov](mailto:Marie.DiMartino@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of James G. Scott.

James G. Scott, Director  
Division of Program Operations

Enclosures

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

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

<b>1. TRANSMITTAL NUMBER</b> 2 5 — 0 0 0 9	<b>2. STATE</b> CT
	<b>3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT</b> <input checked="" type="radio"/> XIX <input type="radio"/> XXI
<b>TO: CENTER DIRECTOR</b> CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	<b>4. PROPOSED EFFECTIVE DATE</b> January 1, 2025
<b>5. FEDERAL STATUTE/REGULATION CITATION</b> Social Security Act 1902(a)(42)(B), 42 CFR 455.510	<b>6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)</b> a FFY 2025 \$ 0 b FFY 2026 \$ 0
<b>7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT</b> Page 79dd.1 and Page 79dd.2	<b>8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)</b> Page 79dd.1 and Page 79dd.2

**9. SUBJECT OF AMENDMENT**

Purpose of this SPA is to enable recoveries of overpayments in the Medicaid State Plan. Medicaid Recovery Audit Contractor ("Medicaid RAC") seeks to increase the maximum allowable Medicaid contingency fee from 12.5% to 17.46%, effective January 1, 2025 for all claim types. See cover letter for explanation of federal budget impact.

**10. GOVERNOR'S REVIEW (Check One)**

- GOVERNOR'S OFFICE REPORTED NO COMMENT  OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

<b>11. S</b> [Redacted]	<b>15. RETURN TO</b> State of Connecticut Department of Social Services 55 Farmington Avenue – 9th floor Hartford, CT 06105 Attention: Ginny Mahoney
<b>12. TYPED NAME</b> Andrea Barton Reeves, J.D.	
<b>13. TITLE</b> Commissioner	
<b>14. DATE SUBMITTED</b> March 3, 2025	

**FOR CMS USE ONLY**

<b>16. DATE RECEIVED</b> March 3 2025	<b>17. DATE APPROVED</b> March 20, 2025
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**PLAN APPROVED - ONE COPY ATTACHED**

<b>18. EFFECTIVE DATE OF APPROVED MATERIAL</b> January 1 2025	<b>19. SIGNATURE OF APPROVING OFFICIAL</b> [Redacted]
<b>20. TYPED NAME OF APPROVING OFFICIAL</b> James G. Scott	<b>21. TITLE OF APPROVING OFFICIAL</b> Director Division of Program Operations

**22. REMARKS**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: CONNECTICUT

Citation

4.5 Medicaid Recovery Audit Contractor Program

Section 1902(a)(42)(B)(i) of the Social Security Act

X  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 C.F.R. §455.508(b), requiring the State’s RAC to have a 1.0 full-time equivalent (FTE) Medical Director licensed to practice in Connecticut because this requirement would present an undue burden on the RAC and would not be cost-effective.*

Section 1902(a)(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.

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 recovered overpayments (e.g., the percentage of the contingency fee):

The State will pay a contingency fee to the RAC. The contingency fee rate shall be no more than 17.46% for all claim types.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: CONNECTICUT

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 FFP up to the amount equivalent to that published rate.

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

\_\_\_\_\_ The following payment methodology shall be used to determine State payments to Medicaid RACs for underpayments:

X The State will submit a justification seeking to pay the Medicaid RAC(s) a contingency fee higher than the highest contingency fee rate paid to Medicare RACs as published in the Federal Register.

The State will pay a contingency fee not to exceed 17.46%. The justification for this higher rate is based on increased cost of doing business in the State of Connecticut and cost associated with higher level qualified staff. Connecticut is a smaller state without economy of scale and increased rate provides opportunity for Connecticut to expand the RAC program by increasing oversight of costly medical services.

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 a 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 a 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.