

Table of Contents

State/Territory Name: District of Columbia

State Plan Amendment (SPA)#: 25-0004

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

June 25, 2025

Melisa Byrd
Senior Deputy Director/Medicaid Director
Department of Health Care Finance
441 4th Street, NW, 9th Floor
South Washington, DC 20001

Re: District of Columbia State Plan Amendment (SPA) – 25-0004

Dear Director Byrd:

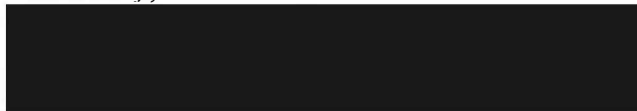
The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0004. This amendment proposes to request an extension of the exception to the requirement of having a Recovery Audit Contractor (RAC) for an additional two (2) years, through May 31, 2027.

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. This letter informs you that District of Columbia's Medicaid SPA TN 25-0004 was approved on June 18, 2025, effective June 1, 2025.

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

If you have any questions, please contact Taneka Rivera at (410) 786-9502 or via email at Taneka.Rivera@cms.hhs.gov.

Sincerely,



Shantrina Roberts, Acting Director
Division of Program Operations

Enclosures

cc: Mario Ramsey

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: DC 25-0004	2. STATE: District of Columbia
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT	
TO: CENTER DIRECTOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: June 1, 2025	
5. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a)(42)(B)(ii)(I) of the Social Security Act 42 CFR § 455.516	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars): a. FFY 2025: \$0 b. FFY 2026: \$0	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.5: Pages 1 and 2 Attachment 4.5: Pages 1 through 3	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.5: Pages 1 and 2	

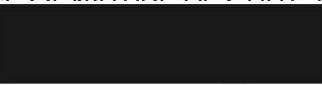
9. SUBJECT OF AMENDMENT:

Seek to maintain exception to establishing a Medicaid recovery audit contractor (RAC) program.

10. 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:
D.C. Act 22-434

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Melisa Byrd Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4th Street, NW, 9th Floor, South Washington, DC 20001
12. TYPED NAME Melisa Byrd	
13. TITLE Senior Deputy Director/Medicaid Director	
14. DATE SUBMITTED	

FOR CMS USE ONLY

16. DATE RECEIVED May 5, 2025	17. DATE APPROVED June 18, 2025
---	---

PLAN APPROVED – ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL June 1, 2025	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Shantrina Roberts	21. TITLE OF APPROVING OFFICIAL Acting Director, Division of Program Operations

22. REMARKS

06/25/25: State authorized pen and Ink changes: Box 7 - strike through Attachment 4.5: Pages 1 and 2 and add Attachment 4.5: Pages 1 through 3.

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

State/Territory: DISTRICT OF COLUMBIA

4.5 Medicaid Recovery Audit Contractor Program

Citation:	
Section 1902(a)(42)(B)(i) of the Social Security Act	<p>_____ 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.</p>
Section 1902(a)(42)(B)(ii)(I) of the Act	<p><u>X</u>_____ The State is seeking an exception to establishing such program for the following reasons:</p> <p>The District of Columbia previously was granted an exception from June 1, 2023 through May 31, 2025 and now seeks an exception from June 1, 2025 through May 31, 2027. DC believes that the objectives of the RAC program are efficiently achieved through current program integrity efforts.</p>
Section 1902(a)(42)(B)(ii)(II)(aa) of the Act	<p>The District more efficiently recovers overpayments by using UPIC, which increases the effectiveness of oversight activities without compromising effectiveness.</p> <p>Only twenty percent (20%) of the District's claims are FFS, making it likely that a RAC program would recover very little overpayments for these claims. This results in a lack of vendor bids on RFPs.</p> <p>The District's strategy for program integrity utilizes the programs and strategies below to remain in compliance with CMS' program integrity requirements.</p> <ul style="list-style-type: none"> - UPIC - Post payment reviews - MCO oversight - Electronic visit verification reviews - NPI capture for non-physician providers - MFCU outreach and education - System edits <p>With regard to managed care processes, the District's managed care claims are processed by their MCEs and overpayments/underpayments are investigated, audited, and recovered by their MCEs SIUs and program integrity</p>

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act</p>	<p>units. The MCEs report all investigatory and audit activities to DHCF's PI unit on a monthly basis, and DHCF PI reviews the data received by the MCEs and conducts independent audits and investigations of MCE provider activities as appropriate.</p> <p>___ 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:</p> <p>___ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>___ 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):</p> <p>___ The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs. The District may pay up to the highest contingency fee used under the Medicare RAC Program for any type of claim.</p> <p>___ 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.</p> <p>___ 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.</p> <p>___ 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):</p> <p>___ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
---	---

	<p>___ 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.</p> <p>___ The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p> <p>___ 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.</p>
--	---