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State/Territory Name: Delaware

State Plan Amendment (SPA) #: 24-0016

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS-179
- 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

May 9, 2025

Andrew Wilson
Medicaid Director
Division of Medicaid and Medical Assistance
Delaware Health and Social Services
P.O. Box 906
New Castle, DE 19720-0906

Re: Delaware State Plan Amendment (SPA) 24-0016

Dear Mr. Wilson:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0016. This amendment proposes to request an extension of the exception from participation in the Recovery Audit Contractor's (RAC) Program.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act. This letter informs you that Delaware's Medicaid SPA TN 24-0016 was approved on May 8, 2025, effective July 1, 2024.

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

If you have any questions, please contact Talbatha Myatt at (215) 861-4259, or via email at Talbatha.Myatt@cms.hhs.gov.

Sincerely,

A large black rectangular box redacting the signature of Ruth A. Hughes.

Ruth A. Hughes
On Behalf of Courtney Miller, MCOG Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 6

2. STATE

DE

3. 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

~~10-01-2024~~

7-1-2024

5. FEDERAL STATUTE/REGULATION CITATION

§1902(a)(42)(b) of the Social Security Act, 42 CFR §455 Subpart A &

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 0

b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

General Program Administration and Table of Contents page 36a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

General Program Administration and Table of Contents
page 36a

9. SUBJECT OF AMENDMENT

Recovery Audit Contractor's 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:

11. [REDACTED] AGENCY OFFICIAL

15. RETURN TO

12. TYPED NAME
Andrew Wilson

Andrew Wilson, Director, DMMA, P.O. Box 906 New Castle,
DE19720

13. TITLE
Director

14. DATE SUBMITTED
11/26/2024 | 11:04 AM EST

FOR CMS USE ONLY

16. DATE RECEIVED
11/26/2024

17. DATE APPROVED
05/08/2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
07/01/2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Ruth A. Hughes

21. TITLE OF APPROVING OFFICIAL
On Behalf of Courtney Miller, MCOG Director

22. REMARKS

2-17-25- The state requested a pen and ink to Box 4 to include effective date 7/1/2024.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE/TERRITORY: DELAWARE

4.5 Medicaid Recovery Audit Contractor Program

Citation

Section 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.

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

- ☒ The State is seeking an exception to establishing such program for 2 years (7/1/24-6/30/26), for the following reasons:

Although the Delaware Division of Medicaid and Medical Assistance (DMMA) previously had a Recovery Audit Contract (RAC) vendor, that contract is no longer in place. DMMA posted a Request for Proposals (RFPs) in an attempt to attract a new RAC vendor but received no bids. The majority of Delaware's Medicaid population is enrolled in managed care and the providers treating them are not subject to audit recovery contracting. There is not sufficient revenue generation to fund an adequate contingency fee. Program review and assessment indicate RAC requirements as impractical and not cost-effective for Delaware's Medicaid program. The State does not use RAC program because Delaware has an agreement with the Unified Program Integrity Contractor (UPIC) to assist with auditing and collections of overpayments for the state's Medicaid program.

- ☐ 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. Delaware RFP for RACs is completed.

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.

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

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

TN No. SPA# 24-0016

Supersedes

~~TN No. 22-0015~~

Approval Date May 08, 2025

Effective Date July 1, 2024