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State/Territory Name: Illinois

State Plan Amendment (SPA) #: 22-0029

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
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

December 13, 2022

Theresa Eagleson
Director
Illinois Department of Healthcare and Family Services
201 South Grand Avenue East
3rd Floor
Springfield, IL 62763-0001

Re: Illinois State Plan Amendment (SPA) 22-0029

Dear Ms. Eagleson:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 22-0029. This amendment This amendment requests an exception from the Medicaid Recovery Audit Contractor (RAC) requirements.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. Section 1902(a)(42)(B) of the Social Security Act requires state Medicaid agencies to have a RAC program, and 42 CFR 455.516 allows state Medicaid agencies to be excepted from the RAC requirements by submitting to CMS a written justification for CMS to review and approve through the SPA process. This letter is to inform you that Illinois' Medicaid SPA 22-0029 is approved effective July 1, 2022, for a two-year period that expires on June 30, 2024.

If you have any questions, please contact Courtenay Savage at 708-567-2048 or via email at Courtenay.Savage@cms.hhs.gov.

Sincerely,

A black rectangular box redacts the signature of James G. Scott. A blue ink scribble is visible below the box.

Digitally signed by James
G. Scott -S
Date: 2022.12.13 14:22:11
-06'00'

James G. Scott, Director
Division of Program Operations

Enclosure

cc: Kelly Cunningham
Mary Doran

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

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER

2 2 — 0 0 2 9

2. STATE

IL

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

July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

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

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

State Plan, Page 36

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

State Plan, Page 36

9. SUBJECT OF AMENDMENT

Recovery Audit Contractor exception - Contract Medical Director

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. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME

TERESA EAGLESEN

13. TITLE

Director of Healthcare and Family Services

14. DATE SUBMITTED

9/29/2022

15. RETURN TO
Department of Healthcare and Family Services
Bureau of Program and Policy Coordination
Attn: Mary Doran
201 South Grand Avenue East
Springfield, IL 62763-0001

FOR CMS USE ONLY

16. DATE RECEIVED

9/29/2022

17. DATE APPROVED

December 13, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2022, for a two-year period that expires on June 30, 2024.

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

Digitally signed by James G. Scott -S
Date: 2022.12.13 14:23:11 -06'00'

20. TYPED NAME OF APPROVING OFFICIAL

James G. Scott

21. TITLE OF APPROVING OFFICIAL

Director, Division of Program Operations

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

MEDICAL ASSISTANCE PROGRAM

Citation	Condition or Requirement
1902(a)(42)(B)(i) of the Act	<p data-bbox="423 268 1003 300">4.5 Medicaid Recover Audit Contractor Program</p> <p data-bbox="475 317 1523 449"><input checked="" type="checkbox"/> 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> <p data-bbox="475 478 1523 541"><input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p data-bbox="521 571 1503 703"><i>Illinois is seeking an exception to the January 1, 2012, implementation date described in the Final Rule and to the July 1, 2012, extended date. No later than January 1, 2013, Illinois will have a RAC contract in place that will adhere to the attestations in this SPA.</i></p> <p data-bbox="521 732 1503 898"><u>The State is seeking an exception to 42 CFR § 455.508(b), the requirement that the RAC must hire a minimum of 1.0 FTE Contractor Medical Director. The State shall require the RAC to maintain and utilize a panel of physicians with a variety of specialties, including a contracted physician with an Illinois license. The panel consists of approximately 400 physicians representing over 100 specialties.</u></p>
1902(a)(42)(B)(ii)(I) of the Act	<p data-bbox="475 928 1523 1022"><input checked="" type="checkbox"/> The State/Medicaid agency has contracts of the type(s) listed in Section 1902(a)(42)(B)(ii)(I). All contracts meet the requirements of the statute. RACs are consistent with the statute.</p> <p data-bbox="521 1052 1170 1083">Place checkmark to provide assurance of the following:</p> <p data-bbox="521 1113 1455 1144"><input checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p data-bbox="521 1173 1523 1243"><input checked="" type="checkbox"/> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p>
1902(a)(42)(B)(ii)(II)(aa) of the Act	<p data-bbox="521 1272 1523 1367">The following payment methodology shall be used to determine State State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):</p> <p data-bbox="521 1396 1523 1491"><input checked="" type="checkbox"/> The State attest that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the <i>Federal Register</i>.</p> <p data-bbox="521 1520 1523 1652"><input type="checkbox"/> 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 <i>Federal Register</i>. The State will only submit for FFP up to the amount equivalent to that published rate.</p> <p data-bbox="521 1682 1523 1812"><input type="checkbox"/> The contingency fee rate paid to the Medicaid RAC that will exceed the highest paid to Medicare RACs, as published in the <i>Federal Register</i>. The State will submit a justification for that rate and will submit for the FFP for the full amount of the contingency fee.</p>