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# **State/Territory Name Indiana**

State Plan Amendment (SPA) #: 25-0005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Form 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

October 21, 2025

E. Mitchell Roob Jr.
Interim Medicaid Director
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W374
Indianapolis, IN 46204

Re: Indiana State Plan Amendment IN-25-0005

Dear Director Roob:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number 25-0005. This State Plan Amendment extends the exemption requirement for the state to contract recovery audit services to a third party for an additional two-year period.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing section 6411(a) of the Affordable Care Act.

This letter is to inform you that Indiana Medicaid SPA 25-0005 was approved on October 20, 2025, with an effective date of October 1, 2025.

If you have any questions, please contact Rhonda Gray at 410-786-6140 or via email at Rhonda.Gray@cms.hhs.gov.

Sincerely,

Nicole McKnight On Behalf of Courtney Miller, MCOG Director

Enclosures

cc: Lindsey Lux LaRisha Ratliff

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TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER 2. STATE
STATE PLAN MATERIAL	$\frac{2}{1} \frac{5}{1} = \frac{0}{1} $
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
	SECURITY ACT O XIX XXI
TO: CENTER DIRECTOR	4. PROPOSED EFFECTIVE DATE
CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	October 1, 2025
5. FEDERAL STATUTE/REGULATION CITATION	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
Section 6411(a) of the Affordable Care Act	a FFY 2025 \$ 0 b. FFY 2026 \$ 0
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT 36b and 36c	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) 36b and 36c
9. SUBJECT OF AMENDMENT  This State Plan Amendment proposes extending the exemption from	om the requirement for the state to contract recovery audit service
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:
E	5. RETURN TO Mitchell Roob Jr. nterim Medicaid Director
E. Mitchell Roob Jr.	ndiana Office of Medicaid Policy and Planning 02 West Washington Street, Room W374
	ndianapolis, IN 46204
No company — And Secretary of the Property Control of the secretary control on the Control of t	ttn: Conner Ortman, Government Affairs Analyst
14. DATE SUBMITTED September 15, 2025	
FOR CMS US	SE ONLY
16. DATE RECEIVED 1 September 15, 2025	7. DATE APPROVED October 20, 2025
PLAN APPROVED - ON	
18. EFFECTIVE DATE OF APPROVED MATERIAL 1	9. SIGNATURE OF APPROVING OFFICIAL
October 1, 2025	
20. TYPED NAME OF APPROVING OFFICIAL 2	1. TITLE OF APPROVING OFFICIAL
Nicole McKnight	On Behalf of Courtney Miller, MCOG Director
22. REMARKS	(1) (1) (4) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1

Revision: 36b

State <u>Indiana</u>

## PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

## 4.5 Medicaid Recovery Audit Contractor Program

Citation	The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose
Section 1902(a)(42)(B)(i) of the Social Security Act	of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.
	The State is seeking an exception to establishing such program for the following reasons: FSSA-OMPP utilizes the Fraud and Abuse Detection System (FADS) contract under FSSA Program Integrity to monitor the Indiana Health Coverage Programs for fraud, waste, and abuse, as well as identify underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State Plan. Indiana has adequate appeal processes in place for entities to appeal any adverse determinations made by FSSA Program Integrity. Indiana assures that the recovered amounts will be subject to the State's quarterly expenditure estimates and funding of the State audit entities, as well as State and Federal law enforcement entities and the CMS Medicaid Integrity Program. The State of Indiana was previously granted an exception from CMS and now seeks an exception from October 1, 2025, through October 1, 2027.
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.
	Place a check mark to provide assurance of the following:
	The State will make payments to the RAC(s) only from amounts recovered.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	The State will make payments to the RAC(s) on a contingent Basis for collecting overpayments.
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):

TN No. <u>25-0005</u> Supersedes TN No. <u>23-0015</u>

Approval Date: October 20, 2025 Effective Date: October 1, 2025

	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.
	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.
	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.
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 the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee): Flat fee-underpayments
Section 1902 (a)(42)(B)(ii)(III) of the Act	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	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	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	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.