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State/Territory Name: Kansas

State Plan Amendment (SPA) #: 24-0032

This file contains the following documents in the order listed:

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



Medicaid and CHIP Operations Group

December 5, 2024

Christine Osterlund, State Medicaid Director Kansas Department of Health and Environment Division of Health Care Finance Landon State Office Building 900 SW Jackson, Room 900-N Topeka, KS 66612-1220

Re: Kansas State Plan Amendment (SPA) 24-0032

Dear Christine Osterlund:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0032. This amendment requests an additional 2-year renewal of exemption from the Recovery Audit Contractor (RAC) program, from January 1, 2025, to December 31, 2026.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR 455.516. This letter informs you that Kansas Medicaid SPA TN 24-0032 was approved on December 4, 2024, with an effective date of January 1, 2025.

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

If you have any questions, please contact Mai Le-Yuen at (312) 353-2853 or via email at Mai.Le-Yuen@cms.hhs.gov.

Sincerely,

Ruth A. Hughes, Acting Director Division of Program Operations

Enclosures

cc: Bobbie Graff-Hendrixson Bill Stelzner Melissa Hammond

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES 5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 455.516 Section 1902(a)(42)(B)(i) 7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	2 4 0 0 3 2 NS 3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT Item Nitre of the social NIX XIX XXI 4. PROPOSED EFFECTIVE DATE January 1, 2025 XIX XXI 6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY 2025 \$ 0 b. FFY 2026 \$ 0 \$ 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION \$ 0
Section 4 Page 36b Section 4 Page 36c	OR ATTACHMENT (If Applicable) Section 4 Page 36b Section 4 Page 36c
9. SUBJECT OF AMENDMENT	
Requesting an additional two-year renewal, January 1, 2025, to D Contractor (RAC) Program in accordance with 42 CFR 455.516.	ecember 31, 2026, of the exemption from the Recovery Audit
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: Christine Osterlund is the Governor's Designee
11 SIGNATURE OF STATE AGENCY OFFICIAL	15. RETURN TO
	Christine Osterlund
12. TYPED NAME	Medicaid Director Deputy Secretary of Agency Integration and Medicaid
	KDHE, Division of Health Care Finance
Medianid Diversion	Landon State Office Building
	900 SW Jackson, Room 900-N Topeka, KS 66612-1220
October 28, 2024	
FOR CMS U	
	17. DATE APPROVED
October 28, 2024 PLAN APPROVED - OI	December 4, 2024
	19. SIGNATURE OF APPROVING OFFICIAL
January 1, 2025	
	21. TITLE OF APPROVING OFFICIAL
Ruth A. Hughes	Acting Director, Division of Program Operations
22. REMARKS	

Revision:

State ______

Kansas____

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

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.
	<u>X</u> The State is seeking an exception to establishing such program for the following reasons:
Section 1902(a)(42)(B)(ii)(I) of the Act	Under the state's predominately managed care delivery system, there is not sufficient fee-for-service claims volume to attract an RAC contractor. The State has mitigated the need for the RAC contractor through the following agreements and processes:
	 Credit Balance Audit: Managed Care Organizations audit. Managed Care Organizations: Special Investigation Units - managed care provider.
	 Gainwell Technologies Survey Utilization Review Subsystem (SURS): FFS provider reviews.
	The State of Kansas requests an extension from the Recovery Audit Contractor (RAC) Program, effective January 1, 2025, through December 31, 2026.
Section 1902 (a)(42)(B)(ii)(II)(aa) 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.
	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):

Approval Date <u>12/4/2024</u> Effective Date <u>1/1/2025</u>

	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): The RAC will receive a percentage of the underpayment that is paid to a provider.
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.

TN: <u>KS 24-0032</u> Supersedes TN: <u>KS 23-0001</u> Approval Date <u>12/4/2024</u>

Effective Date <u>1/1/2025</u>