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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 23-0026

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

August 31, 2023

Kimberly Sullivan
Interim Medicaid Executive Director
State of Louisiana
Department of Health
628 N 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

Re: Louisiana State Plan Amendment (SPA) TN 23-0026

Ms. Sullivan:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 23-0026. This amendment proposes an extension of the exception from participation in the Recovery Audit Contractor (RAC) Program.

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 Subpart F. This letter is to inform you that Louisiana Medicaid SPA 23-0026 was approved on August 31, 2023, with an effective date of August 6, 2023, for a period not to exceed two years.

If you have any questions, please contact Tobias Griffin at 214-767-4425 or via email at Tobias.Griffin@cms.hhs.gov.

Sincerely,

A large black rectangular redaction box covers the signature of James G. Scott.

James G. Scott, Director
Division of Program Operations

Enclosures

cc: Mandy Strom, Acting Branch Manager
Karen Barnes, LA Department of Health

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

1. TRANSMITTAL NUMBER 23-0026	2. STATE LA
3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE August 6, 2023	
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2023 \$ 0 b. FFY 2024 \$ 0	
8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same (TN 21-0018)	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICE
DEPARTMENT OF HEALTH AND HUMAN SERVICES


5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 455 Subpart F

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Section 4.5b, Pages 37 and 38

9. SUBJECT OF AMENDMENT
The purpose of this SPA is to request an extension of the exemption from participation in the Recovery Audit Contractor program.

10. GOVERNOR'S REVIEW (Check One)

<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review State Plan material.
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Pam Diez, designee for Stephen R. Russo, JD

13. TITLE
Secretary

14. DATE SUBMITTED
July 7, 2023

15. RETURN TO

**Tara A. LeBlanc, Medicaid Executive Director
Louisiana Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030**

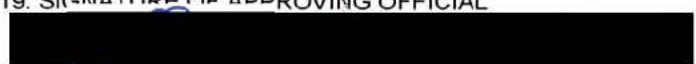
FOR CMS USE ONLY

16. DATE RECEIVED July 7, 2023	17. DATE APPROVED August 31, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
August 6, 2023

20. TYPED NAME OF APPROVING OFFICIAL
James G. Scott

19. SIGNATURE OF APPROVING OFFICIAL


21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

22. REMARKS

Revision:

State **LOUISIANA**

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b Medicaid Recovery Audit Contractor Program

<p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</p> <p>Section 1902(a)(42)(B)(ii)(I) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<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> <p><input checked="" type="checkbox"/> <u>X</u> The State is requesting an extension of the exception to establishing such program for the following reasons:</p> <ol style="list-style-type: none"> 1. The provisions of Act 568 of Louisiana Legislature excluded claims processed or paid through a capitated Medicaid managed care program from the RAC’s scope of review. 2. The majority of Louisiana’s Medicaid claims are processed or paid through a capitated managed care program. 3. State law limits the potential recoveries, making it difficult to attract potential vendors. Furthermore, the Department has determined that there are adequate auditing processes currently in place through the Surveillance Utilization Review unit (SURS), the Managed Care Special Investigation units and the CMS Unified Program Integrity Contractor (UPIC). <p>Louisiana was previously granted an exception from August 6, 2021 through August 6, 2023, and now seeks an exception from August 6, 2023 through August 6, 2025. Louisiana believes the objectives of the RAC program are effectively obtained through current program integrity efforts.</p> <p>_____ The State/Medicaid agency will have contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts will meet the requirements of the statute. RACs are consistent with the statute.</p> <p>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.</p>
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TN 23-0026
Supersedes
TN 21-0018

Approval Date August 31, 2023

Effective Date August 6, 2023

	<p>Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.</p> <p>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>
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	<p>_____ 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 fees paid will not exceed the regulatory contingency fee percentage.</p>
Section 1902 (a)(42)(B)(ii)(III) of the Act	<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 Federal Financial Participation (FFP) up to the amount equivalent to that published rate.</p>
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	<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>Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.</p>
Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act	<p>_____ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act	<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 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>