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State/Territory Name: Massachusetts

State Plan Amendment (SPA) #: 22-0018

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Summary Page
- 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 24, 2022

MaryLou Sudders, Secretary
The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place, Room 1109
Boston, MA 02108

Re: Massachusetts State Plan Amendment (SPA) 22-0018


Dear Secretary Sudders:

We reviewed your proposed Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 22-0018. This amendment updates the state plan to waive 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 USC 1396a(a)(42)(B). This letter is to inform you that Massachusetts Medicaid SPA Transmittal Number 22-0018 was approved on August 23, 2022, with an effective date of April 1, 2022. This approved exemption to waive the recovery audit contractor program is good for a two-year period. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Massachusetts State Plan.

If you have any questions, please contact Marie DiMartino at (617) 565-9157 or via email at Marie.DiMartino@cms.hhs.gov.

Sincerely,


James G. Scott, Director
Division of Program Operations

Enclosures

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

| | |
|--|---|
| 1. TRANSMITTAL NUMBER <u>2 2 - 0 0 1 8</u> | 2. STATE <u>MA</u> |
| 3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT | |
| 4. PROPOSED EFFECTIVE DATE <u>04/01/2022</u> | |
| 5. FEDERAL STATUTE/REGULATION CITATION <u>42 USC 1396a(a)(42)(B)</u> | 6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>22</u> \$ <u>0</u> b. FFY <u>23</u> \$ <u>0</u> |
| 7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Section 4 p. 36-36i</u> | 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Section 4 p. 36-36i</u> |


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

9. SUBJECT OF AMENDMENT

An amendment to waive the Recovery Audit Contractor (RAC) 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

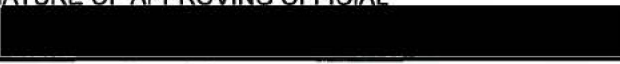
OTHER, AS SPECIFIED:
Not required under 42 CFR 430.12(b)(2)(i)

| | |
|---|---|
| 11. SIGNATURE OF STATE AGENCY OFFICIAL  | 15. RETURN TO Commonwealth of Massachusetts Executive Office of Health and Human Services Office of Medicaid One Ashburton Place, Room 1109 Boston, MA 02108 |
| 12. TYPED NAME <u>Marylou Sudders</u> | |
| 13. TITLE <u>Secretary</u> | |
| 14. DATE SUBMITTED <u>06/30/2022</u> | |

FOR CMS USE ONLY

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|--|--|
| 16. DATE RECEIVED <u>06/30/2022</u> | 17. DATE APPROVED <u>08/23/2022</u> |
|--|--|

PLAN APPROVED - ONE COPY ATTACHED

| | |
|---|---|
| 18. EFFECTIVE DATE OF APPROVED MATERIAL <u>04/01/2022</u> | 19. SIGNATURE OF APPROVING OFFICIAL  |
| 20. TYPED NAME OF APPROVING OFFICIAL <u>James G. Scott</u> | 21. TITLE OF APPROVING OFFICIAL <u>Director</u> <u>Division of Program Operations</u> |

22. REMARKS

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Section 4 General Program Administration

4.5 Medicaid Audit Recovery 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.

The State is seeking an exception to establishing such program for the following reasons:

The state has mitigated the need for the RAC contractor through the following state processes and agreements:

- Anti-fraud, waste, and abuse activities, including pre-payment and post-payment reviews, financial and provider audits, and utilization management activities, carried out by MassHealth's managed care plans (MCOs and PHIP).
- Physical health provider audits and other recovery activities carried out by the Provider Compliance Unit.
- LTSS provider audits and other recovery activities carried out by LTSS third party administrator vendor.
- Acute hospital utilization management including pre-payment and post-payment reviews carried out by acute hospital utilization control vendor.
- Dental provider audits carried out by dental third party administrator vendor.
- Third party liability program integrity activities carried out by third party liability unit.
- Financial audits of hospitals and nursing facilities carried out by the Financial Compliance Unit.
- Pre-pay reviews carried out by MassHealth Program Integrity Unit through its NetReveal system.
- Provider and program audits carried out by the Massachusetts Office of Inspector General.

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Section 4 General Program Administration

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

- Provider and program audits carried out by the Massachusetts Office of the State Auditor.
- Provider investigations carried out by the Massachusetts Attorney General Office's Medicaid Fraud Division.

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.

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.