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State/Territory Name: Maine

State Plan Amendment (SPA) #: 25-0002

This file contains the following documents in the order listed:

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

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 22, 2025

Michelle Probert, Director
Office of MaineCare Services
Department of Health and Human Services
109 Capitol Street, 11 State House Station
Augusta, Maine 04333-0011

Re: Maine State Plan Amendment (SPA) 25-0002

Dear Director Probert:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0002. This amendment proposes to extend Maine's Recovery Audit Contractor (RAC) program exception from June 1, 2025, through May 31, 2027.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act, Section 1902(a)(42)(B)(i), and implementing regulations. This letter informs you that Maine's Medicaid SPA TN 25-0002 was approved on August 22, 2025, effective June 1, 2025.

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

If you have any questions, please contact Gilson DaSilva at (617) 565-1227 or via email at Gilson.DaSilva@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Nicole McKnight.

Nicole McKnight, Acting Director
Division of Program Operations

Enclosures

cc: Kristin Merrill, Senior Policy Manager, Office of MaineCare Services

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

1. TRANSMITTAL NUMBER
25 0002

2. STATE
Maine (ME)

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT

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

4. PROPOSED EFFECTIVE DATE
June 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
1902(a)(42)(B)(i)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY **2025** \$ **0**
b. FFY **2026** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
36(b)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

9. SUBJECT OF AMENDMENT
To extend Maine's RAC waiver for an additional two years.

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, ASSPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Michelle Probert

13. TITLE

Director, MaineCare Services

14. DATE SUBMITTED

June 2, 2025

15. RETURN TO

**Michelle Probert
Director, MaineCare Services
#11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011**

FOR CMS USE ONLY

16. DATE RECEIVED
06/02/2025

17. DATE APPROVED
08/22/2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
06/01/2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Nicole McKnight

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

22. REMARKS

Revision:

36(b)

State: Maine

4.5 Medicaid Recovery Audit Contractor 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 a program for the following reasons: Maine previously was granted an exception through June 1, 2025 and now seeks an exception through May 31, 2027. Maine believes that the objectives of the RAC program are efficiently achieved through current program integrity efforts.

- Maine has repeatedly received a RAC waiver for many years now based on its current PI processes
 - CMS recently approved an APD for Maine's Program Integrity to implement a much more advanced data analytics platform that will help improve PI's efforts and implementation of that is currently underway.
- Maine has partnered with a CMS Unified Program Integrity Contractor (UPIC) for several years now
- Maine's 2024 PERM improper error rates for Medicaid are 2.41% for medical and 0% for eligibility
- Maine currently has a contract with Health Management Systems (HMS), where they perform audits on the following four provider types: hospitals, nursing facilities (NFs), Private Non-medical Institutions (PNMIs) and Intermediate Care Facilities (ICFs).
- The Dept. is planning to issue a Request for Proposals (RFP) for a RAC during SFY 2026

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 State. RACs are consistent with the statute.

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

☐ Place a check 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):

☐ 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.

Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act

☐ The contingency fee rate paid to that 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.