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State/Territory Name: Michigan

State Plan Amendment (SPA) #: 26-0009

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

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

November 20, 2026

Meghan E. Groen
Chief Deputy Director
Behavioral and Physical Health and Aging Services Administration
Michigan Department of Health and Human Services
400 S Pine Street, 7th Floor
Lansing, MI 48933-2250

Re: Michigan State Plan Amendment (SPA) - 26-0009

Dear Director Groen:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 26-0009. This amendment recognizes the selection of a Medicaid Recovery Audit Contractor (RAC) to create a permanent Medicaid RAC program thereby ending the exception for establishing a separate program.

We conducted our review of your submittal according to statutory requirements in Section 1902(a)(42)(B)(i) of the Social Security Act and implementing regulations. This letter informs you that Michigan's Medicaid SPA TN 26-0009 was approved on November 19, 2026, with an effective date of July 1, 2026.

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

If you have any questions, please contact Christine Davidson at (312) 886-3642 or via email at Christine.Davidson@cms.hhs.gov.

Sincerely,

[redacted]

Megan K. Buck
Director, Division of Program Operations

Enclosures

cc: Erin Black, MDHHS
Jacqueline Coleman, MDHHS
Toree Turner, CPI

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0009

2. STATE: MI

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

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

3. PROPOSED EFFECTIVE DATE
July 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
Section 1902 (a)(42)(B)(i) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $0
b. FFY 2027 $0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
General Program Administration, Page 36a of Section 4.5(a)(1)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTIONOR ATTACHMENT *(If Applicable)*
General Program Administration, Page 36a of Section 4.5(a)(1) (TN# 25-0003)

9. SUBJECT OF AMENDMENT
The purpose of this SPA is to recognize selection of a Medicaid RAC in accordance with Section 1902(a)(42)(B)(i) of the Social Security Act and to end the exception for establishing this separate 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:

[redacted]

11. TYPED NAME
eg an roen

12. TITLE
Senior Chief Deputy

13. DATE SUBMITTED
August 24, 2026

15. RETURN TO

Health Services Administration– Federal Liaison
Capitol Commons Center – 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Erin Black

FOR CMS USE ONLY

16. DATE RECEIVED
August 24, 2026

17. DATE APPROVED
November 19, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2026

19. SIGNATURE OF APPROVING OFFICI [redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Megan K. Buck

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

22. REMARKS

Revision: HCFA-PM-88-10 (BERC)
SEPTEMBER 1988

State: MICHIGAN

Citation

4.5(a)(1) Medicaid Recovery Audit Contractor Program

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:

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.
- ☒ The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

Section 1902 (a)(42)(B)(ii)(II)(aa) 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):

- ☒ 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 contingency fee percentage that the Medicaid RAC will be paid is 12.5% for Overpayments Collected and 11% for Underpayments or Discounted Overpayments.
- ☐ 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.