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State/Territory Name: Missouri

State Plan Amendment (SPA) #: 22-0009

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

February 21, 2024

Todd Richardson, Director
MO HealthNet Division
Missouri Department of Social Services
P O Box 6500
Jefferson City, MO 65102-6500

RE: Missouri State Plan Amendment 22-0009

Dear Director Richardson:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Missouri's State Plan Amendment (SPA) Transmittal #22-0009, submitted on March 28, 2022. This amendment proposes a 2-year exception to the recovery audit contractor (RAC) until April 1, 2026.

CMS approved SPA #22-0009 on February 21, 2024, with an effective date of April 1, 2022. The 2-year exception is approved from April 1, 2024, through April 1, 2026. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Missouri State Plan.

If you have any questions regarding this amendment, please contact Mandy Strom at Mandy.Strom@cms.hhs.gov or (303) 844-7068.

Sincerely,


James G. Scott, Director
Division of Program Operations

Enclosures

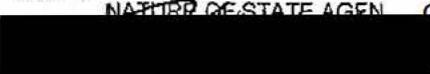
cc: Marissa Crump, Missouri Medicaid
Glenda Kremer, Missouri Medicaid

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2 2 - 0 0 0 9</u>	2. STATE <u>MO</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <u>April 1, 2022</u>	
5. FEDERAL STATUTE/REGULATION CITATION <u>42 CFR 455.516</u>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2022</u> \$ <u>0</u> b. FFY <u>2023</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>36b, 36bb, 36c*</u>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>36b, 36bb, 36c*</u>	

9. SUBJECT OF AMENDMENT
Waiver of State's requirement to contract with a Recovery Audit Contractor (RAC)

10. GOVERNOR'S REVIEW (Check One)

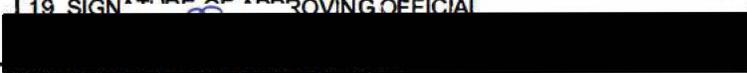
GOVERNOR'S OFFICE REPORTED NO COMMENT SLV OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

NAME OF STATE AGENCY OFFICIAL 	15. RETURN TO
12. TYPED NAME <u>Robert J. Knodell</u>	
13. TITLE <u>Acting Director</u>	
14. DATE SUBMITTED <u>3-25-22</u>	

FOR CMS USE ONLY

16. DATE RECEIVED <u>March 28, 2022</u>	17. DATE APPROVED <u>February 21, 2024</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>April 1, 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, Division of Program Operations</u>

22. REMARKS
* Missouri requested pen & ink change on December 15, 2023, for boxes 7 and 8.

State: Missouri

PROPOSED SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

<p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</p>	<p><u> </u> 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><u> X </u> The State is seeking an exception to establishing such program until April 1, 2026, for the following reasons:</p> <ul style="list-style-type: none"> • In 2015, Missouri issued two separate requests for proposals for a recovery audit contractor. There was no response to either request. The audit contractor prior to 2015 did not wish to respond. • Missouri holds a contract with HMS, in part to provide Credit Balance Audits. HMS continues to recover more in credit balance audit recoveries than the previous contractor recovered in its most recent year. • Missouri has strong and effective controls to minimize the risk of improper payments, including recoveries from provider audits, special projects, investigations, and cost avoidance measures. Missouri works closely with the Medicaid Fraud Control Unit, referring many cases for prosecution in each State Fiscal Year. • The final rule at 455.506(a)(1) indicates, “States may exclude Medicaid managed care claims from review by Medicaid RAC.” Managed care claims comprise approximately 18% of the Missouri Medicaid payments for health care as Missouri’s managed care penetration is 80%. • Missouri has hired a program integrity pharmacist to complement the program integrity efforts. <p>This SPA will be in effect for two (2) years, and as long as Missouri maintains a program to recover credit balances on patient accounts and maintains a strong and effective program to recover improperly paid monies through Program Integrity efforts.</p>
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<p>Section 1902(a)(42)(B)(ii)(I) of the Act Section 1902(a)(42)(B)(ii)(II)(aa) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(III) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(IV)(aa) of the Act</p>	<p><input type="checkbox"/> 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.</p> <p>Place a check mark to provide assurance of the following:</p> <p><input type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input type="checkbox"/> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p> <p>The following payment methodology shall be used to determine State payments to Medicaid RAC(s) for identification and recovery of overpayments (e.g., the percentage of the contingency fee):</p> <p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> 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 submit a justification for that rate and will submit for FFP the full amount of the contingency fee.</p> <p><input type="checkbox"/> The following payment methodology shall be used to determine State payments to the Medicaid RAC for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee):</p> <p><input type="checkbox"/> The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p> <p><input type="checkbox"/> The State assures that the amounts expended by the State to carry out the program will be as necessary for the proper and efficient administration of the State plan or a waiver of the plan.</p>
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State: Missouri

<p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p>	<p>_____ The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</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>