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State/Territory Name: Missouri

State Plan Amendment (SPA) #: 26-0003

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 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

April 1, 2026

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

Re: Missouri State Plan Amendment - 26-0003

Dear Director Moore:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number MO-26-0003. This State Plan Amendment proposes a two-year extension of the exception from establishing a Medicaid Recovery Audit Contractor (RAC) program.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act implementing regulation 42 CFR 455.516. This letter is to inform you that Missouri Medicaid SPA TN 26-0003 was approved on April 1, 2026, with an effective date of April 1, 2026.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Missouri's State Plan.

If you have any questions, please contact Rhonda Gray at (410) 786-6140 or via email at Rhonda.Gray@cms.hhs.gov.

Sincerely,

Nicole McKnight
On Behalf of Courtney Miller, MCOG Director

Enclosures

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

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 March 31, 2028, 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 30% of the Missouri Medicaid payments for health care as Missouri’s managed care penetration is 79%. • Missouri has 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. Missouri is requesting an extension of the exemption from establishing a Medicaid RAC program effective April 1, 2026, through March 31, 2028.</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>