

Table of Contents

State/Territory Name: Montana

State Plan Amendment (SPA)#: 25-0005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS-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

June 6, 2025

Rebecca De Camara
State Medicaid Director
Montana Department of Public Health & Human Services
Attention: Carla Rime
P.O. Box 4210
Helena, MT 59604

Re: Montana State Plan Amendment (SPA) – 25-0005

Dear Director De Camara:


The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number 25-0005. This amendment proposes to request an extension of the exception to the requirement of having a Recovery Audit Contractor (RAC) for an additional two (2) years, through April 30, 2027.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing 42 CFR 455.502. This letter informs you that Montana Medicaid SPA TN 25-0005 was approved on June 6, 2025, effective April 1, 2025.

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



If you have any questions, please contact Dana Brown at (410) 786-0421 or via email at Dana.Brown@cms.hhs.gov.

Sincerely,


Shantrina Roberts, Acting Director
Division of Program Operations

Enclosures

cc: Carla Rime

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER _2_ _5_ - _0_ _0_ _0_ _5_	2. STATE Montana
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT (MEDICAID) <input checked="" type="checkbox"/> XIX <input type="checkbox"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 04/01/2025	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 455.502		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY25 (6months) \$ 0 b. FFY26 (12 months) \$ 0	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Citation 4.5 Medicaid Recovery Audit Contractor Program, Pages 1-2 of 2		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Citation 4.5 Medicaid Recovery Audit Contractor Program, Pages 1-2 of 2	
9. SUBJECT OF AMENDMENT The purpose of this amendment is to request an extension of the exception to the requirement of having a recovery audit contractor (RAC). The update is necessary to be in compliance with 42 CFR 455.12. In 2017, Montana enacted MCA 53-6-1402, which restricts the auditing time frame for both contractors and the State's Surveillance Utilization Review Section (SURS) unit to only allow requests of up to six (6) months of records from Medicaid providers to review. The restriction led to Montana not receiving any proposals for the RAC Request for Proposals. CMS approved Montana's request to continue its exception to the RAC requirements through April 30, 2025. This SPA requests to continue its exception to the RAC requirements for an additional two (2) years, through April 30, 2027.			
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: Single Agency Review	
11. SIGNATURE OF STATE AGENCY OFFICIAL 		15. RETURN TO Montana Department of Public Health and Human Services State Medicaid Director Attn: Carla Rime PO Box 4210, Helena, MT 59604	
12. TYPED NAME Rebecca de Camara			
13. TITLE Medicaid & Health Services Executive Director/ State Medicaid Director			
14. DATE SUBMITTED March 30, 2025			
FOR CMS USE ONLY			
16. DATE RECEIVED March 31, 2025		17. DATE APPROVED June 6, 2025	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL April 1, 2025		19. SIGNATURE OF APPROVING OFFICIAL 	
20. TYPED NAME OF APPROVING OFFICIAL Shantrina Roberts		21. TITLE OF APPROVING OFFICIAL Acting Director, Division of Program Operations	
22. REMARKS			

State/Territory: Montana

Citation 4.5

Medicaid Recovery Audit Contractor Program

<p>Section 1902(a) (42)(B)(i) of the Social Security Act</p>	<p><input type="checkbox"/> 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><input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p><input checked="" type="checkbox"/> Montana is seeking an exception extension from the Medicaid recovery audit contract requirement. The State attempted a formal procurement for recovery audit services that would be in line with Section 1902(a)(42) of SSA. However, the State did not receive any bids when solicited. Additionally, MCA 53-6-1402, which went into effect July 1, 2017, places constraints on the Recovery Audit Contractor's (RAC) ability to perform large scale audits, therefore limiting the amount of potential income for their services. CMS granted the State a two-year exception. Montana is requesting an extension of the exemption from establishing a Medicaid RAC program, effective April 1, 2025 through March 31, 2027.</p>
<p>Section 1902(a) (42)(B)(ii)(I) of the Act</p>	<p><input type="checkbox"/> The State/Medicaid agency will have contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act in place. 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>Section 1902(a) (42)(B)(ii)(II)(aa) of the Act</p>	<p>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):</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 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.</p>

State/Territory: Montana

Citation 4.5

Medicaid Recovery Audit Contractor Program

Section 1902 (a) (42) (B) (ii) (II) (bb) of the Act	<p>— The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee):</p> <p>— Percentage of the contingency fee will be the payment methodology used to determine State payments to Medicaid RACs for identification and recovery of overpayments.</p>
Section 1902 (a) (42) (B) (ii) (III) of the Act	<p>— The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
Section 1902 (a) (42) (B) (ii) (IV) (aa) of the Act	<p>— The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.</p>
Section 1902 (a) (42) (B) (ii) (IV) (bb) of the Act	<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>
Section 1902 (a) (42) (B) (ii) (IV) (cc) of the Act	<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>