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State/Territory Name Nebraska

State Plan Amendment (SPA) #: 25-0010

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

August 13, 2025

Drew Gonshorowski
Director
Division of Medicaid and Long-Term Care
Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509

Re: Nebraska State Plan Amendment (SPA) – 25-0010

Dear Mr. Gonshorowski:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) NE-25-0010. This amendment proposes to extend the recovery audit contractor for two years.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR 455.12. This letter informs you that Nebraska's Medicaid SPA TN 25-0010 was approved on August 13, 2025, with an effective date of December 1, 2025.

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

If you have any questions, please contact Tyson Christensen at (816) 426-6440 or via email at Tyson.Christensen@cms.hhs.gov.

Sincerely,

Shantrina Roberts, Acting Director
Division of Program Operations

Enclosures

cc: Dawn Kastens

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

1. TRANSMITTAL NUMBER

2 5 — 0 0 1 0

2. STATE

N E

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT ☒ XIX ☐ XXITO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN
SERVICES

4. PROPOSED EFFECTIVE DATE

December 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 455.12

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
Section 4, Pages 36b and 36c8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT (If Applicable)
Section 4, Pages 36b and 36c9. SUBJECT OF AMENDMENT
Recovery Audit Contractor

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:

Governor has waived review

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Drew Gonshorowski13. TITLE
Director, Division of Medicaid & Long-Term Care14. DATE SUBMITTED
May 23, 2025

15. RETURN TO

Dawn Kastens
Division of Medicaid & Long-Term Care
Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509**FOR CMS USE ONLY**16. DATE RECEIVED
May 23, 202517. DATE APPROVED
August 13, 2025**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL
December 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Shantrina Roberts21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Program Operations

22. REMARKS

Revision: (Draft)
State/Territory: Nebraska

4.5b 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.

X The State is seeking an exception to establishing such program for the following reasons:

Nebraska implemented Heritage Health effective January 1, 2017. Heritage Health combines physical health, behavioral health and pharmacy programs into a single managed care system. More than 99% of Nebraska Medicaid clients are enrolled in Managed Care. A dental benefits manager for dental services was effective October 1, 2017. Effective January 1, 2024, Nebraska integrated dental care into the previously existing Heritage Health managed care program. Neb Rev Stat 68-974(3)(a) excludes Managed Care claims from the scope of the Recovery Audit Contractor. This leaves very few claims for review or recovery from the fee for service program. Nebraska is requesting an extension to the previous exception for two years effective December 1, 2025 through November 30, 2027.

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.

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

_____ 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.

TN No. NE 25-0010

Supersedes

TN No. NE 23-0011

Approval Date: August 13, 2025

Effective Date: December 1, 2025

Revisions: (Draft)

State/Territory: Nebraska

(4.5b Continued)

	_____	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.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	_____	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): Flat fee to be negotiated
Section 1902 (a)(42)(B)(ii)(III) of the Act	_____	The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	_____	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.
Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act	_____	The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.
Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act	_____	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.

TN No. NE 25-0010

Supersedes

TN No. NE 23-0011Approval Date: August 13, 2025Effective Date: December 1, 2025