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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 22-0024

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form/Summary Form
3) Approved SPA Page
May 18, 2022

Melody Anthony
Oklahoma Health Care Authority (OHCA)
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

Re: Oklahoma State Plan Amendment (SPA) 22-0024

Dear Ms. Anthony:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 22-0024. This amendment proposes to amend the State Plan to include an exemption from the recovery audit contract (RAC) requirement.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act, Section 1902(a)(42)(B)(i). This letter is to inform you that Oklahoma Medicaid SPA 22-0024 was approved on May 17, 2022, with an effective date of April 1, 2022.

If you have any questions, please contact Stacey Steiner at 214-767-6479 or via email at stacey.steiner@cms.hhs.gov.

Sincerely,

James G. Scott, Director
Division of Program Operations

Enclosures

cc: Traylor Rains, OHCA
    Sandra Puebla, OHCA
    Kasie McCarty, OHCA
**TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL**

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

<table>
<thead>
<tr>
<th>1. TRANSMITTAL NUMBER</th>
<th>2. STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>22-0024</td>
<td>OK</td>
</tr>
</tbody>
</table>

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

**4. PROPOSED EFFECTIVE DATE**

April 1, 2022

**5. FEDERAL STATUTE/REGULATION CITATION**

Section 1902(a)(42)(B)(i) of the Social Security Act

**6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)**

- FFY 2022: $0
- FFY 2023: $0

**7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT**

Attachment 4.5-A, Page 1

**9. SUBJECT OF AMENDMENT**

Amending the State Plan to include an exemption from the recovery audit contract requirement.

**10. GOVERNOR’S REVIEW (Check One)**

☐ GOVERNOR’S OFFICE REPORTED NO COMMENT

☑ OTHER, AS SPECIFIED:

**11. SIGNATURE OF STATE AGENCY OFFICIAL**

☐ COMMENTS OF GOVERNOR’S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

**12. TYPED NAME**

Traylor Rains

**13. TITLE**

State Medicaid Director

**14. DATE SUBMITTED**

April 21, 2022

**15. RETURN TO**

Oklahoma Health Care Authority
Attn: Melody Anthony
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

**16. DATE RECEIVED**

April 21, 2022

**17. DATE APPROVED**

May 17, 2022

**18. EFFECTIVE DATE OF APPROVED MATERIAL**

April 1, 2022

**19. SIGNATURE OF APPROVING OFFICIAL**

James G. Scott

**20. TYPED NAME OF APPROVING OFFICIAL**

Director, Division of Program Operations

**22. REMARKS**

Instructions on Back
## 4.5 Medicaid Recovery Audit Contractor Program

<table>
<thead>
<tr>
<th>Citation</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1902(a)(42)(B)(i) of the Social Security Act</td>
<td>X The State is seeking an exception to establishing such program for the following reasons:</td>
</tr>
<tr>
<td></td>
<td>• The State is seeking to discontinue its RAC program because Oklahoma has robust and effective program integrity procedures in place to combat fraud, waste, and abuse (FWA) for the state’s Medicaid program, including:</td>
</tr>
<tr>
<td></td>
<td>o Individual provider – claim analysis reports;</td>
</tr>
<tr>
<td></td>
<td>o Individual provider – prepayment review capabilities;</td>
</tr>
<tr>
<td></td>
<td>o Clinical provider audits – medical record review audits (21 person unit consisting of Registered Nurses, Certified Professional Coders, and a Dental Hygienist);</td>
</tr>
<tr>
<td></td>
<td>o Clinical provider audits with extended capabilities utilizing third party software applications;</td>
</tr>
<tr>
<td></td>
<td>o Behavioral health audits – record review audits (unit consists of Licensed Professional Counselors and Licensed Marital and Family Therapists);</td>
</tr>
<tr>
<td></td>
<td>o Advanced program integrity data analytics proven effective in identifying FWA;</td>
</tr>
<tr>
<td></td>
<td>o Federal Unified Program Integrity Contractor (UPIC).</td>
</tr>
<tr>
<td></td>
<td>• The Payment Error Rate Measurement (PERM) program has shown that Oklahoma’s Medicaid program error rate has been far less than the national average.</td>
</tr>
<tr>
<td></td>
<td>• The exception will be granted by CMS for a two (2) year period.</td>
</tr>
<tr>
<td>Section 1902(a)(42)(B)(ii)(I) of the Act</td>
<td>The State/Medicaid agency will implement 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.</td>
</tr>
<tr>
<td>Section 1902(a)(42)(B)(ii)(ll)(aa) of the Act</td>
<td>Place a check mark to provide assurance of the following:</td>
</tr>
<tr>
<td></td>
<td>The State will make payments to the RAC(s) only from amounts recovered.</td>
</tr>
<tr>
<td></td>
<td>The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</td>
</tr>
</tbody>
</table>

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):

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**Revised 04-01-22**

TN# _22-0024_  Supersedes TN# _20-0019_  Approval Date: May 17, 2022  Effective Date: _4/1/2022_