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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: 21-0010

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

June 1, 2021

Teresa D. Miller, Secretary
Department of Human Services
P.O. Box 2675
Harrisburg, PA 17105-2675

Re: Pennsylvania State Plan Amendment (SPA) 21-0010

Dear Secretary Miller:

We reviewed your proposed Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 21-0010. This amendment is a request for an exception from the Medicaid Recovery Audit Contractor (RAC) requirements.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. Section 1902(a)(42)(B) of the Social Security Act requires state Medicaid agencies to have a RAC program, and 42 CFR 455.516 allows state Medicaid agencies to be excepted from the RAC requirements by submitting to CMS a written justification for CMS to review and approve through the SPA process. This letter is to inform you that Pennsylvania's Medicaid SPA TN 21-0010 is approved effective June 1, 2021 for a two-year period that expires on May 31, 2023.

If you have any questions, please contact Dan Belnap at 215-861-4273 or via email at Dan.Belnap@cms.hhs.gov.

Sincerely,



James G. Scott, Director
Division of Program Operations

cc: Sally Kozak
Eve Lickers
Lacey Gates
Karen Fickes

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

1. TRANSMITTAL NUMBER 21-0010	2. STATE Pennsylvania
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE June 1, 2021	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*)

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION 42 CFR § 455.516	7. FEDERAL BUDGET IMPACT a. FFY 2019 — 2020 2021 \$0 b. FFY 2020 — 2021 2022 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Section 4.5, pages 36a, 36b and 36c	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Section 4.5, pages 36a, 36b and 36c

10. SUBJECT OF AMENDMENT

The State is seeking an exception to continuing the Medicaid Recovery Audit Contractor (RAC) Program

11. GOVERNOR'S REVIEW (*Check One*)

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Review and approval authority
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL has been delegated to the Department of Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Commonwealth of Pennsylvania Department of Human Services Office of Medical Assistance Programs Bureau of Fee-for-Service Programs P.O. Box 2675 Harrisburg, Pennsylvania 17105-2675
13. TYPED NAME Teresa D. Miller	
14. TITLE Secretary of Human Services	
15. DATE SUBMITTED March 31, 2021 April 6, 2021	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED April 6, 2021	18. DATE APPROVED May 27, 2021
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL June 1, 2021	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME James G. Scott	22. TITLE Director, Division of Program Operations

23. REMARKS

Pen and ink changes made with state's permission to boxes 7, 8, 9, and 15 (db)

<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<p>scenarios for data analyses and development of methodology for review of various provider types and scenarios.</p> <p>Considering the foregoing, CMS approved the PA DHS SPA request (SPA PA 19-001) on June 27, 2019, effective June 1, 2019. PI activities continue in the FFS and MC delivery systems. Therefore, DHS is requesting a second exception to having a Medicaid RAC, effective June 1, 2021 through May 31, 2023.</p> <p>_____ 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>_____ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>_____ 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 RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):</p>
<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p>	<p>_____ 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>Section 1902 (a)(42)(B)(ii)(III) of the Act</p>	<p>_____ 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>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p>	<p>_____ 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>
<p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p>	<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>_____ The State has an adequate appeal process in place for entities</p>

TN No. 21-0010
 Supersedes
 TN 19-0011

Approval Date: 5/27/21

Effective Date: June 1, 2021

Section 1902 (a)(42)(B)(ii)(IV)(cc)
Of the Act

to appeal any adverse determination made by the Medicaid RAC(s).

_____ 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.

_____ The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.

_____ 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.