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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: 23-0007

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 13, 2023

Valerie A. Arkoosh, MD, MPH
Acting Secretary
Department of Human Services
P.O. Box 2675
Harrisburg, PA 17105-2675

Re: Pennsylvania State Plan Amendment (SPA) 23-0007

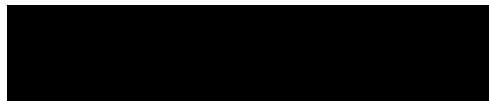
Dear Acting Secretary Arkoosh:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 23-0007. 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 23-0007 was approved on April 11, 2023, with an effective date of June 1, 2023, for a two-year period that expires on May 31, 2025.

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

Sincerely,



Ruth A. Hughes, Acting Director
Division of Program Operations

Enclosures

cc: Karen Fickes
Eve Lickers
Lacey Gates

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

1. TRANSMITTAL NUMBER <u>2 3 — 0 0 0 7</u>	2. STATE <u>PA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
June 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR § 455.516

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2022-2023 \$ 0
b. FFY 2023-2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Section 4.5, pages:
36a, 36b and 36c


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Section 4.5, pages:
36a, 36b and 36c

9. SUBJECT OF AMENDMENT
The State is seeking an exception to the Medicaid Recovery Audit Contractor (RAC) Program

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:

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Valerie A. Arkoosh, MD, MPH

13. TITLE
Acting Secretary, Department of Human Services


14. DATE SUBMITTED
February 17, 2023

15. RETURN TO
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

FOR CMS USE ONLY

16. DATE RECEIVED <u>February 17, 2023</u>	17. DATE APPROVED <u>April 11, 2023</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>June 1, 2023</u>	19. SIGNATURE OF 
20. TYPED NAME OF APPROVING OFFICIAL <u>Ruth A. Hughes</u>	21. TITLE OF APPROVING OFFICIAL <u>Acting Director, Division of Program Operations</u>

22. REMARKS

Boxes 6, 7, and 8: State authorized pen and ink change on 03/31/2023

<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<p>Considering the foregoing, CMS approved the PA DHS SPA request (SPA PA 19-001) on June 27, 2019, effective June 1, 2019. CMS approved a subsequent PA DHS SPA request (SPA PA 21-0010) on June 1, 2021 with an effective date of June 1, 2021. PI activities continue in the FFS and MC delivery systems. DHS is requesting continued exception to having a Medicaid RAC, for two years effective June 1, 2023 through May 31, 2025.</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>Section 1902 (a)(42)(B)(ii)(II)(bb) 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>_____ 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>_____ 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)(III) of the Act</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>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</p>	

TN No. 23-0007
 Supersedes
 TN 21-0010

Approval Date: April 11, 2023

Effective Date: June 1, 2023

	<p>_____ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p> <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> <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>_____ 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>
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