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State/Territory Name: RI

State Plan Amendment (SPA) #: 22-0016

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Page

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

November 2, 2022

Ana P. Novais, MA, Acting Secretary
Executive Office of Health and Human Services
3 West Road, Virks Building
Cranston, RI 02920

Re: Rhode Island State Plan Amendment (SPA) 22-0016

Dear Acting Secretary Novais:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 22-0016. This amendment proposes to extend the current exemption to the Recovery Audit Contractors (RACs) requirement to have a vendor that identifies and corrects improper Medicaid payments through the collection of overpayments and reimbursement of underpayments from August 5, 2022, to August 4, 2024.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing Section 1902(a)(42)(B) of the Social Security Act. This letter is to inform you that Rhode Island's Medicaid SPA Transmittal Number 22-0016 is approved, effective from August 5, 2022, to August 4, 2024.

Enclosed are copies of the approved CMS-179 and SPA page to be incorporated into the Rhode Island State Plan.

If you have questions, please contact Joyce Butterworth at (857) 357-6375 or via email at Joyce.Butterworth@cms.hhs.gov.

Sincerely,



James G. Scott, Director
Division of Program Operations

Enclosures

cc: Kristin Sousa, Interim Medicaid Program Director
Kathryn Thomas, Senior Economic and Policy Analyst

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

1. TRANSMITTAL NUMBER

2 2 — 0 0 1 6

2. STATE

RI

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

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

4. PROPOSED EFFECTIVE DATE

August 5, 2022

5. FEDERAL STATUTE/REGULATION CITATION

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

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

36b

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

36b: TN 20-0010

9. SUBJECT OF AMENDMENT

Exemption from the Recovery Audit Contractor 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
Ana Novais

13. TITLE
Acting Secretary

14. DATE SUBMITTED
September 30, 2022

15. RETURN TO
EOHHS

3 West Rd. Virks Building
Cranston, RI 02920

FOR CMS USE ONLY

16. DATE RECEIVED
September 30, 2022

17. DATE APPROVED
October 31, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
August 5, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
James G. Scott

21. TITLE OF APPROVING OFFICIAL
Director
Division of Program Operations

22. REMARKS

Box 8: State authorized Pen & Ink change adding superseded page number.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Rhode Island

4.5b Medicaid Recovery Audit Contractor Program

Citation	
<p>Section 1902(a)(42)(B)(i) of the Social Security Act</p>	<p><u> </u> 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><u> X </u> The State is seeking an exception to establishing such program for the following reasons:</p> <ul style="list-style-type: none"> • The state maintains a low rate of errors in Medicaid payments, • The last RAC contractor found few recoveries during two years of review. Based upon the small recovery, the contractor elected not to exercise the two option years under the contract • Prior to the expiration of the exception, the State will analyze the most recent PERM results and the most timely audit results from other programs • According to recovery audit firms contacted by EOHHS, it is not cost-beneficial for auditing firms to submit bids due to the small number of enrollees and claims in our non-managed care programs; • EOHHS has strong and effective controls that minimize the risk of improper payments. These include a robust pre- and post - payment automated review mechanisms and numerous additional audit controls to prevent and detect improper payments, implemented in collaboration with the agency's fiscal agent. Additionally, EOHHS has contractual relationships with a Pharmacy Benefit Manager, to ensure that through robust claims processing controls, concurrent and retrospective review of claims, and referrals to Program Integrity as needed, our beneficiaries receive medically necessary medications in the most cost-effective manner. • EOHHS Program Integrity staff works closely with the Medicaid Fraud Control Unit (MFCU) on areas of focus that are aligned with the agency's strategic plan. • Several federal and state agencies conduct periodic reviews of the Medicaid eligibility systems, the claims processing function, and the Program Integrity unit