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State Name: Virginia

State Plan Amendment (SPA) #: 24-0025

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 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 22, 2024

Cheryl J. Roberts, Director Department of Medical Assistance Services 600 East Broad Street, Suite 1300 Richmond, VA 23219

Re: Virginia State Plan Amendment 24-0025

Dear Director Roberts:

The Centers for Medicare & Medicaid Services (CMS) has reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0025. This amendment requests an extension of the current exception from the Recovery Audit Contractor Program.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act 1902(a)(42)(B) and Code of the Federal Regulations 42 CFR §455.51. This letter is to inform you that Virginia Medicaid SPA 24-0025 was approved on November 22, 2024, with an effective date of July 1, 2024. This exception will expire on July 1, 2026.

If you have any questions, please contact Margaret Kosherzenko at 215-861-4288 or via email at Margaret.Kosherzenko@cms.hhs.gov.

Sincerely,

James G. Scott, Director Division of Program Operations

**Enclosures** 

| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES  TO: CENTER DIRECTOR     CENTERS FOR MEDICAID & CHIP SERVICES     DEPARTMENT OF HEALTH AND HUMAN SERVICES  5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 455  7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Pre-Print Page, Page 36b | 1. TRANSMITTAL NUMBER  2 4 — 0 0 2 5 V A  3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI  4. PROPOSED EFFECTIVE DATE  7/1/2024  6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY 2025 \$ 0 b. FFY 2026 \$ 0  8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Same as box #8 |
|--|--|
| 9. SUBJECT OF AMENDMENT  Recovery Audit Contractor (RAC) - Exemption Request   |  |
| 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: Secretary of Health and Human Resources   |
|  | 15. RETURN TO Department of Medical Assistance Services 600 East Broad Street, #1300 Richmond VA 23219   |
| AO TITIE   | Attn: Policy, Regulations, and Manuals Supervisor  |
| FOR CMS USE ONLY   |  |
| 16. DATE RECEIVED 11/08/2024   | 17. DATE APPROVED 11/22/2024   |
| PLAN APPROVED - ON   |  |
| 18. EFFECTIVE DATE OF APPROVED MATERIAL 07/01/2024   | 19.  |
|  | 24   |
| T C C#   | Director, Division of Program Operations   |
| 22. REMARKS  |  |

# Page 36b STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT State of VIRGINIA

### 4.5b Medicaid Recovery Audit Contractor Program

| Citation<br>§ 1902(a)(42)(B)(i)<br>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.   |
|---|---|
| § 1902(a)(42)(B)(ii)(I) of the Act                            | The State is seeking a two (2) year exception to establishing such a program until July 1, 2026, for the following reasons: Virginia submitted a request for an exception with SPA VA-22-0019 in August 2022 and was granted an exception, with an expiration date of July 1, 2024. The state is seeking an extension to its current exception, as VA still maintains a large managed care population in the state. DMAS transitioned to a 95% managed care program environment in 2021, such that the claims-eligible RAC review has been rendered largely obsolete. Additionally, a search to secure a vendor to operate an efficient RAC program, in this new environment, proved unviable and cost inefficient for Virginia Medicaid. |
| § 1902(a)(42)(B)(ii)(II)(aa) of the Act                       | The State/Medicaid agency has contracts of the type(s) listed in § 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.   |
|   | 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.   |
|   | 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 <i>Federal Register</i> . The State will only submit for FFP up to the amount equivalent to that published rate.   |

TN No. <u>24-0025</u> Approval Date: <u>11/22/2024</u> Effective Date: <u>07/01/2024</u>

Supersedes

TN No. 22-0019