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State/Territory Name: Vermont

State Plan Amendment (SPA) #: 24-0011

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS-179
- 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

December 12, 2024

Monica Ogelby, Medicaid Director
Vermont Agency of Human Services
280 State Drive - Center Building
Waterbury, VT 05671

Re: Vermont State Plan Amendment (SPA) 24-0011

Dear Director Ogelby:

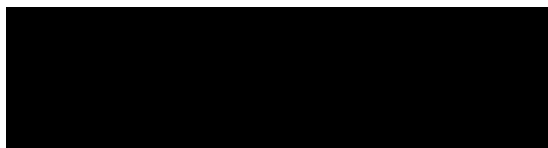
The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0011. This amendment proposes to extend the Recovery Audit Contractor exception for an additional two years through June 30, 2026.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security and implementing regulations in accordance with 42 CFR §430.12(c)(1)(ii). This letter informs you that Vermont's Medicaid SPA TN 24-0011 was approved on December 12, 2024, effective July 1, 2024.

Enclosed are copies of Form CMS 179 and approved SPA page to be incorporated into the Vermont State Plan.

If you have any questions, please contact Gilson DaSilva at (617) 565-1227 or via email at Gilson.DaSilva@cms.hhs.gov.

Sincerely,



James G. Scott, Director
Division of Program Operations

Enclosures

cc: Dylan Frazer, Deputy Director of Medicaid Policy

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

| | |
|---|-----------------------|
| 1. TRANSMITTAL NUMBER <u>2 4 — 0 0 1 1</u> | 2. STATE <u>VT</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
7/1/2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR §430.12(c)(1)(ii)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$ 0
b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
36b

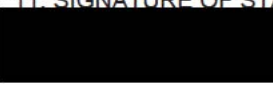
8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)
36b

9. SUBJECT OF AMENDMENT
Extension of Recovery Audit Contractor Exception

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: Approval from Agency of Admin.


11. SIGNATURE OF STATE AGENCY OFFICIAL

Monica Ogelby

15. RETURN TO
DYLAN FRAZER
DEPARTMENT OF VERMONT HEALTH ACCESS
280 STATE DRIVE
WATERBURY, VT 05671-1010
DYLAN.FRAZER@VERMONT.GOV

13. TITLE
MEDICAID DIRECTOR, AGENCY OF HUMAN SERVICES

14. DATE SUBMITTED
9/30/2024

FOR CMS USE ONLY

| | |
|--|--|
| 16. DATE RECEIVED <u>09/30/2024</u> | 17. DATE APPROVED <u>12/12/2024</u> |
|--|--|

PLAN APPROVED - ONE COPY ATTACHED

| | |
|--|---|
| 18. EFFECTIVE DATE OF APPROVED MATERIAL <u>07/01/2024</u> | 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

State: Vermont

4.5b Medicaid Recovery Audit Contractor Program

Citation

Section 1902(a)(42)(B)(i)
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.

The State is seeking an exception to establishing such program for the following reasons:

Vermont Medicaid has a small program integrity unit that operates a managed care-like model under the 1115 Global Commitment to Health waiver. As part of this approval, DVHA shall comply with federal program integrity and audit requirements for services and populations covered under the demonstration in accordance with the waiver’s Special Terms and Conditions. Additionally, Vermont has a robust Audit, Investigation and Data Mining Unit, that seeks recoveries based on fraud, waste or abuse in both the Fee-for-service and Medicaid Managed Care like areas. Limited resources and strained administrative cost tend to minimize funding or a budget for Medicaid RAC procurement.

This exception is in effect for the duration of the current Global Commitment waiver approval or 6/30/2026, whichever is earlier

Section 1902(a)(42)(B)(ii)(I)
of the Act

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.*

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):

Section 1902
(a)(42)(B)(ii)(II)(aa) of the Act

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 Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.

TN No. 24-0011
Supersedes
TN No. 22-0015

Effective Date: 7/1/2024

Approval Date: 12/12/2024