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State/Territory Name: Wisconsin

State Plan Amendment (SPA) #: 21-0014

This file contains the following documents in the order listed:

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

September 7, 2021

Jim Jones, Medicaid Director
Division of Medicaid Services
Wisconsin Department of Health Services
1 W. Wilson St.
Madison, Wisconsin 53701

Re: Wisconsin State Plan Amendment (SPA) 21-0014

Dear Mr. Jones:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 21-0014. This amendment is seeking an exception to the recovery audit contractor program.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR § 435.733. This letter is to inform you that Wisconsin Medicaid SPA 21-0014 was approved on September 7, 2021, with an effective date of November 1, 2021 and expiring on October 31, 2023.

If you have any questions, please contact Mai Le-Yuen at 312.353.2853 or via email at mai.le-yuen@cms.hhs.gov.

Sincerely,

 Digitally signed by James G. Scott -S
Date: 2021.09.07 15:47:24 -05'

James G. Scott, Director
Division of Program Operations

cc: Laura Brauer, DHS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER
WI-21-0014

2. STATE
Wisconsin

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: **Title XIX Of The
Social Security Act (Medicaid)**

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
11/1/2021

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
**Section 1902 (a)(42) of the Social Security Act
and 42 CFR 455.516**

7. FEDERAL BUDGET IMPACT
a. FFY 2022 **\$0**
b. FFY 2023 **\$0**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Pages 79za-79zb.....

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

10. SUBJECT OF AMENDMENT
Medicaid Recovery Audit Contractor Program

11. 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

DocuSigned by:

Cindy Dombrowski

6/11/2021

E39F5439D2AA4E3...

1. **DocuSigned by:** [Redacted] STATE AGENCY OFFICIAL
6/4/2021

12. **7BD4E56017A7425...**
Jim Jones

14. TITLE
State Medicaid Director

15. DATE SUBMITTED
6/30/2021

16. RETURN TO
Laura Brauer
State Plan Amendment Coordinator
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 6/30/2021

18. DATE APPROVED:
September 7, 2021

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
11/01/2021

OFFICIAL:
Digitally signed by James G. Scott - S
Date: 2021.09.07 15:48:36 -05'00'

21. TYPED NAME: James G. Scott

22. TITLE: Director, Division of Program Operations

23. REMARKS:

4.5 Medicaid Recovery Audit Contractor Program

Citation	
Section 1902 (a)(42)(B)(i) of the Social Security Act	<p>— 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>X The State is respectfully requesting an exception to establishing a Medicaid RAC program for the following reasons:</p> <ul style="list-style-type: none"> • Wisconsin’s contract with the current RAC vendor is for 11/1/2016 through 10/31/2021. The RAC vendor will not be extending the contract beyond 10/31/2021. One vendor responded to Wisconsin’s RAC Request for Proposal issued in November 2020, but did not fully satisfy Wisconsin’s RAC needs and the solicitation has been canceled. • Due to litigation, the Wisconsin Department of Health Services’ (DHS) scope for collecting overpayments from providers has been limited in most audits conducted by either the Wisconsin Office of the Inspector General (OIG) or vendors who conduct audits on behalf of DHS; therefore, Wisconsin would be unable to provide remuneration satisfactory to a RAC (based on the cost of audit development and implementation, as well as participation in appeals). • The RAC would be restricted to auditing Fee-For-Service providers (FFS) providers. Wisconsin is 68% managed care as compared to 32% FFS; therefore, recoveries for any future RAC vendor may be limited. • Wisconsin has robust and effective program integrity in place. Wisconsin has the following program integrity initiatives in place to combat fraud, waste and abuse in the state’s Medicaid program, including: <ul style="list-style-type: none"> ○ Federal Unified Program Integrity Contractor (CoventBridge) ○ Office of the Inspector General Business Intelligence and Research Section, Clinical and Non-Clinical Program

Integrity and Compliance Sections, each of which has sufficient staffing for completing FFS audits and other program integrity efforts (i.e. screening “moderate” and “high” risk providers per the Affordable Care Act) .

- **External Quality Review Organization (MetaStar)**

Section 1902 (a)(42)(B)(ii)(I) of the Act	<u>N/A</u>	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:		
	<u>N/A</u>	The State will make payments to the RAC(s) only from amounts recovered.
	<u>N/A</u>	The State will make payments to the RAC(s) on a contingency basis for collecting overpayments.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act		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):
	<u>N/A</u>	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.
	<u>N/A</u>	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.