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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
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- 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 <u>mai.le-yuen@cms.hhs.gov.</u>



tally signed by James ott -S : 2021.09.07 15:47:24 0'

James G. Scott, Director Division of Program Operations

cc: Laura Brauer, DHS

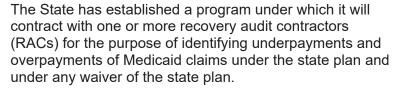
HEALTH CARE FINANCING ADMINISTRATION		OMB NO. 0938-0193
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER	2. STATE
STATE PLAN MATERIAL	WI-21-0014	Wisconsin
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: Title XIX Of The Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	
HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	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 AMEN		
6. FEDERAL STATUTE/REGULATION CITATION	7. FEDERAL BUDGET IMPACT	
Section 1902 (a)(42) of the Social Security Act	a. FFY 2022 \$0	
• / • /	b. FFY 2023 \$0	
and 42 CFR 455.516 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	9. PAGE NUMBER OF THE SUPERS	EDED DI ANICECTIONI
Pages 79za-79zb	OR ATTACHMENT (If Applicable) Same	EDED PLAN SECTION
1 ages 172a-1720	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 SPEC	IFIED 6/11/2021
1 — DocuSigned by: TE AGENCY OFFICIAL 6/4/2021	16. RETURN TO Laura Brauer	
	State Plan Amendment Coordi	nator
Jim Jones	Department of Health Services	
14. TITLE	1 W. Wilson St.	
State Medicaid Director	P.O. Box 309	
15. DATE SUBMITTED 6/30/2021	Madison, WI 53701-0309	
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: 6/30/2021	18. DATE APPROVED: September 7, 2021	
PLAN APPROVED – ONI	_	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 11/01/2021		TICIAL: y signed by James G. Scott -S 021.09.07 15:48:36 -05'00'
21. TYPED NAME: James G. Scott	22. TITLE: Director, Division of Pro	
23. REMARKS:		

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4.5 <u>Medicaid Recovery Audit Contractor Program</u>

Citation

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



The State is respectfully requesting an exception to establishing a Medicaid RAC program for the following reasons:

- 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:
 - Federal Unified Program Integrity Contractor (CoventBridge)
 - Office of the Inspector General Business Intelligence and Research Section, Clinical and Non-Clinical Program

TN: 21-0014 Supersedes TN: 13-0007

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State: Wisconsin Page 79zb **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 N/A The State Medicaid agency has contracts of the type(s) (a)(42)(B)(ii)(I) of the listed in section 1902 (a)(42)(B)(ii)(I) of the Act. All Act contracts meet the requirements of the statute. RACs are consistent with the statute. Place a check mark to provide assurance of the following: N/A The State will make payments to the RAC(s) only from amounts recovered. N/A The State will make payments to the RAC(s) on a contingency basis for collecting overpayments. Section 1902 The following payment methodology shall be used to determine State (a)(42)(B)(ii)(II)(aa) of payments to Medicaid RACs for identification and recovery of the Act overpayments (e.g., the percentage of the contingency fee): N/A 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. N/A The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare

published rate.

TN: 21-0014 Supersedes TN: 13-0007

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RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that