

## **Table of Contents**

**State/Territory Name: Wisconsin**

**State Plan Amendment (SPA) #: 23-0015**

This file contains the following documents in the order listed:

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

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September 14, 2023

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

Re: Wisconsin State Plan Amendment (SPA) 23-0015

Dear Director Kuhn:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 23-0015. This amendment seeks an exception to the recovery 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 Code of Federal Regulation (CFR) 455.516. This letter is to inform you that Wisconsin Medicaid SPA 23-0015 was approved on September 14, 2023, with an effective date of November 1, 2023, and expiring on October 31, 2025.

If you have any questions, please contact Mai Le-Yuen at 312.353.2853 or via email at [Mai.Le-Yuen@cms.hhs.gov](mailto:Mai.Le-Yuen@cms.hhs.gov).

Sincerely,



James G. Scott, Director  
Division of Program Operations

Enclosures

cc: Bailey Dvorak, DHS

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 1 5

2. STATE

WI

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

11/01/2023

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR § 455.516

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0  
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Page 79za- Page 79zb

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Same Page 79za-Page 79zb

9. SUBJECT OF AMENDMENT  
Recovery Audit Contractor (RAC) Program Exemption

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

Jamie Kuhn

13. TITLE

Medicaid Director

14. DATE SUBMITTED

06/28/23

15. RETURN TO

Bailey Dvorak

State Plan Amendment Coordinator Department of Health  
Services

1 W. Wilson St.

P.O. Box 309

Madison, WI 53701-0309

**FOR CMS USE ONLY**

16. DATE RECEIVED

06/28/2023

17. DATE APPROVED

September 14, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

November 1, 2023

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 gave permission for pen & ink change on 9/13/23.

State: Wisconsin

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>ⓧ Wisconsin State is respectfully requesting an exception to establishing a Medicaid RAC program for the following reasons:</p> <ul style="list-style-type: none"> <li>• Due to litigation, the Wisconsin Department of Health Services' (DHS) scope for collecting overpayments from providers has been limited. 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) due to the scope limitation.</li> <li>• The RAC would be restricted to auditing Fee-For-Service providers (FFS) providers. WI is 68% managed care as compared to 32% FFS; therefore, recoveries for any future RAC vendor may be limited.</li> <li>• 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"> <li>○ Our Federal Unified Program Integrity Contractor (CoventBridge)</li> <li>○ Our External Quality Review Organization (MetaStar)</li> <li>○ The Office of the Inspector General Business Intelligence and Research Section, Clinical and Non-Clinical Program Integrity and Compliance Sections, each of which has staffing to complete a measurable amount of FFS audits and other program integrity efforts (i.e. screening "moderate" and "high" risk providers per the Affordable Care Act).</li> </ul> </li> </ul>

Wisconsin was previously granted an exception from November 1, 2021 through October 31, 2023, and now seeks an exception from November 1, 2023 through October 31, 2025. Wisconsin believes the objectives of the RAC program are effectively obtained through current program integrity efforts.

- A team dedicated to Managed Care Organizations within the Non-Clinical Program Integrity and Compliance Section that is working on implementing a Network Provider Audit Process.
- A new claims pre-pay review program within the Clinical Program Integrity and Compliance Section.

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

N/A

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:

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 (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):

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

TN # 23-0015  
Supersedes  
TN # 21-0014

Approval date: \_\_9/14/2023\_\_

Effective date: 11/01/2023