

Table of Contents

State/Territory Name Wisconsin

State Plan Amendment (SPA) #: 25-0022

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

October 14, 2025

William Hanna
Medicaid Director
Division of Medicaid Services
Wisconsin Department of Health Services
1 W. Wilson St
Madison, WI 53701

Re: Wisconsin State Plan Amendment (SPA) – 25-0022

Dear Director Hanna:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0022. This amendment proposes to extend Wisconsin's Recovery Audit Contractor (RAC) program exception from November 1, 2025, through October 31, 2027.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act, section 1902(a)(42)(B)(i) and implementing regulations. This letter informs you that Wisconsin Medicaid SPA TN 25-0022 was approved on October 10, 2025, with an effective date of November 1, 2025.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Wisconsin State Plan.

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,

Nicole McKnight
On Behalf of Courtney Miller, MCOG Director

Enclosures

cc: Alexandra Merfeld, DHS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2</u> <u>5</u> — <u>0</u> <u>0</u> <u>2</u> <u>2</u>	2. STATE <u>WI</u>
	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 <u>11/1/2025</u>	
5. FEDERAL STATUTE/REGULATION CITATION <u>1902 (a)(42)(B)(i)</u>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>26</u> \$ <u>0</u> b. FFY <u>27</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Page 79za- Page 79zb</u>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Page 79za- Page 79zb (23-0015)</u>	

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:

Signature by
Nathan Bollicorst
FBE510244074F3...

11. SIGNATURE OF STATE AGENCY OFFICIAL	15. RETURN TO Allie Merfeld State Plan Amendment Coordinator Department of Health Services 1 W. Wilson St. P.O. Box 309 Madison, WI 53701-0309
12. TYPED NAME <u>Bill Hanna</u>	
13. TITLE <u>Medicaid Director</u>	
14. DATE SUBMITTED <u>9/18/2025</u>	

FOR CMS USE ONLY

16. DATE RECEIVED <u>September 19, 2025</u>	17. DATE APPROVED <u>October 10, 2025</u>
--	--

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>November 1, 2025</u>	19. SIGNATURE OF APPROVING OFFICIAL <u>[Signature]</u>
20. TYPED NAME OF APPROVING OFFICIAL <u>Nicole McKnight</u>	21. TITLE OF APPROVING OFFICIAL <u>On Behalf of Courtney Miller, MCOG Director</u>

22. REMARKS

State: Wisconsin4.5 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.
	<u>X</u> Wisconsin State is respectfully requesting an exception to establishing a Medicaid RAC program for the following reasons: • 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. • The RAC would be restricted to auditing Fee-For-Service providers (FFS) providers. WI is 66% managed care as compared to 34% 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: ○ Our Federal Unified Program Integrity Contractor (CoventBridge) ○ Our External Quality Review Organization (MetaStar) ○ 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).

- 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 claims pre-pay review program.

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.

Wisconsin was previously granted an exception from November 1, 2023 through October 31, 2025, and now seeks an exception from November 1, 2025 through October 31, 2027. Wisconsin believes the objectives of the RAC program are effectively obtained through current program integrity efforts.