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State/Territory Name: District of Columbia

State Plan Amendment (SPA) #: 21-0006

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 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

April 30, 2021

Melisa Byrd
Medicaid Director
Department of Health Care Finance
441 4th Street, N.W., 9th floor, South
Washington, D.C. 20001

Re: District of Columbia State Plan Amendment (SPA) 21-0006

Dear Director Byrd:

We reviewed your proposed Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 21-0006. This amendment is a request for an exception from the Medicaid Recovery Audit Contractor (RAC) requirements.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. Section 1902(a)(42)(B) of the Social Security Act requires the Department of Health Care Finance (DHCF) to have a RAC program, and 42 CFR 455.516 allows DHCF to be excepted from the RAC requirements by submitting to CMS a written justification for CMS to review and approve through the State Plan Amendment process. This letter is to inform you that the District of Columbia's Medicaid SPA Transmittal Number 21-0006 is approved effective June 1, 2021 for a two-year period that expires on May 31, 2023.

If you have any questions, please contact Dan Belnap at 215-861-4273 or via email at Dan.Belnap@cms.hhs.gov.

Sincerely,



James G. Scott, Director
Division of Program Operations

cc: Alice Weiss, DHCF
Lisa Klug, DHCF
Gerald Wilson, DHCF

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 21-006	2. STATE: District of Columbia
3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act		

TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services	4. PROPOSED EFFECTIVE DATE: June 1, 2021
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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: § 6411 of the Patient Protection and Affordable Care Act of 2011, approved March 23, 2010 (Pub. L. No. 111-148, 124 Stat. 119)	7. FEDERAL BUDGET IMPACT: FFY21: \$0 FFY22: \$0
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.5: pp 1 - 2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.5: pp 1 - 2
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10. SUBJECT OF AMENDMENT:
Recovery Audit Contractor (RAC) Waiver

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 D.C. Act: 22-434
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Melisa Byrd Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4 th Street, NW, 9 th Floor, South Washington, DC 20001
13. TYPED NAME Melisa Byrd	
14. TITLE Senior Deputy Director/Medicaid Director	
15. DATE SUBMITTED 4/1/21 4/5/21	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED April 5, 2021	18. DATE APPROVED April 29, 2021
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL June 1, 2021	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME James G. Scott	22. TITLE Director, Division of Program Operations

23. REMARKS

Pen & ink change to box 15 made with state's permission to reflect accurate submission date of 4/5/21 (db)

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

State/Territory: DISTRICT OF COLUMBIA

4.5 Medicaid Recovery Audit Contractor Program

<p>Citation: Section 1902(a)(42)(B)(i) of the Social Security Act</p>	<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>Section 1902(a)(42)(B)(ii)(I) of the Act</p>	<p><u> x </u> The State is seeking an exception to establishing such program for the following reasons: The District is suspending operations under the RAC requirement in accordance with a waiver from CMS due to the District’s inability to identify a contractor to perform the required activities at the statutorily identified contingency fee rate. The District identifies and reconciles Medicaid provider overpayments and underpayments as follows: The Department of Health Care Finance (DHCF) actively uses the Payment Error Rate Measurement (PERM) process to reduce its error rate; DHCF conducts coordination with other District agencies, including the Department of Disability Services and Department of Behavioral Health, to conduct audits and other oversight of providers; and DHCF has other contractors conducting reviews, such as the Pharmacy Benefit Manager (PBM), which conduct audits, data analysis, and other reviews of pharmacy claims. DHCF also works in collaboration with the U.S. Office of Inspector General, the Medicaid Fraud Control Unit, and other law enforcement agencies which are able to report and resolve overpayments, underpayments, and potential fraud.</p>
<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<p>_____ 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. RA Cs are consistent with the statute. Place a check mark to provide assurance of the following:</p> <p>_____ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>_____ The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p> <p>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):</p>

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</p>	<p>___ The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs. The District may pay up to the highest contingency fee used under the Medicare RAC Program for any type of claim.</p> <p>___ 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.</p> <p>___ The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.</p> <p>___ The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee):</p> <p>___ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p> <p>___ The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.</p> <p>___ The State assures that the recovered amounts will be subject to a State’s quarterly expenditure estimates and funding of the State’s share.</p> <p>___ Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.</p>
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