

State of Louisiana

Louisiana Department of Health Office of the Secretary

VIA ELECTRONIC MAIL ONLY

August 16, 2021

James G. Scott, Director Division of Program Operations Medicaid & CHIP Operations Group 601 East 12th Street, Room 0300 Kansas City, Missouri 64106-2898

RE: Louisiana Title XIX State Plan Transmittal No. 21-0018

Dear Mr. Scott:

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

I recommend this material for adoption and inclusion in the body of the State Plan. Should you have any questions or concerns regarding this matter, please contact Karen Barnes at (225) 342-3881 or via email at Karen.Barnes@la.gov.

Sincerely,

Dr. Courtney N. Phillips

Secretary

Attachments (2)

CNP:MB:SSJ

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER 21-0018	2. STATE Louisiana	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)		
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE August 6, 2021		
5. TYPE OF PLAN MATERIAL (Check One) □ NEW STATE PLAN □ AMENDMENT TO BE CONSIDERED □ TO STATE PLAN	O AS NEW PLAN ⊠ AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMEND	DMENT (Separate transmittal for each amo	endment)	
6. FEDERAL STATUTE/REGULATION CITATION	7. FEDERAL BUDGET IMPACT		
Section 1902(a)(42)(B) of the Social Security Act	a. FFY <u>2022</u> \$\frac{0.00}{0.00}\$ b. FFY <u>2023</u> \$\frac{0.00}{0.00}\$		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	9. PAGE NUMBER OF THE SUPERSE SECTION OR ATTACHMENT (If Ap.		
Section 4.5b, Pages 37 and 38	Same (TN 19-0014)		
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		w State Plan material.	
12. SIGNATURE OF STATE AGENCY OFFICIAL	16. RETURN TO		
Kuth Johnson	Michael Boutte Interim Medicaid Executive	Director	
13. TYPED NAME Puth Johnson, designed for Dr. Courtney N. Philling	State of Louisiana Department of Health		
Ruth Johnson, designee for Dr. Courtney N. Phillips 14. TITLE	628 North 4th Street		
Secretary	P.O. Box 91030		
15. DATE SUBMITTED August 16, 2021	Baton Rouge, LA 70821-9030)	
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED	18. DATE APPROVED		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL	20. SIGNATURE OF REGIONAL OFFIC	IAL	
21. TYPED NAME	22. TITLE		
23. REMARKS			

Revision:

State **LOUISIANA**

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b Medicaid Recovery Audit Contractor Program

	The State has established a program under which it will contract
Section 1902(a)(42)(B)(i) of the Social Security Act	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.
Section 1902(a)(42)(B)(ii)(I) of the Act	 The State is seeking an indefinite exception to establishing such program for the following reasons: The provisions of Act 568 of Louisiana Legislature excluded claims processed or paid through a capitated Medicaid managed care program from the RAC's scope of review. The majority of Louisiana's Medicaid claims are processed or paid through a capitated managed care program. State law limits the potential recoveries, making it difficult to attract potential vendors. Furthermore, the Department has determined that there are adequate auditing processes currently in place through the Surveillance Utilization Review unit (SURS), the Managed Care Special Investigation units and the CMS Unified Program Integrity Contractor (UPIC).
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	The State/Medicaid agency will have contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts will meet the requirements of the statute. RACs are consistent with the statute. Place a check mark to provide assurance of the following: The State will make payments to the RAC(s) only from amounts recovered. The State will make payments to the RAC(s) on a contingent basis for collecting overpayments. Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.

Supersedes TN 19-0014

	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):
	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. The fees paid will not exceed the regulatory contingency fee percentage.
	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 Federal Financial Participation (FFP) up to the amount equivalent to that published rate.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	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.
Section 1902 (a)(42)(B)(ii)(III) of the Act	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):
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.
	The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).
Section 1902(a)(42)(B)(ii)(IV(bb) of the Act	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.
Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act	The State assures that the recovered amounts will be subject to State's quarterly expenditure estimates and funding of the State's share.
	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.

TN <u>21-0018</u> Supersedes TN <u>19-0014</u>