John Bel Edwards
GOVERNOR

Stephen R. Russo, JD
SECRETARY

State of Louisiana

Louisiana Department of Health
Office of the Secretary

July 7, 2023

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. 23-0026

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,

_____, for
Stephen R. Russo, JD
Secretary

Attachments (2)

SRR:TAL:NF

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER 23-0026	2. STATE LA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

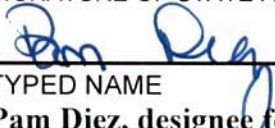|	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVIC DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE **August 6, 2023**
5. FEDERAL STATUTE/REGULATION CITATION **42 CFR 455 Subpart F**	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. **FFY 2023 $ 0** b. **FFY 2024 $ 0**
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT **Section 4.5b, Pages 37 and 38**	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)* **Same (TN 21-0018)**

9. SUBJECT OF AMENDMENT

The purpose of this SPA is to request an extension of the exemption from participation in the Recovery Audit Contractor program.

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
- [x] OTHER, AS SPECIFIED:
  The Governor does not review State Plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL	15. RETURN TO
12. TYPED NAME **Pam Diez, designee for Stephen R. Russo, JD**	**Tara A. LeBlanc, Medicaid Executive Director** **Louisiana Department of Health** **628 North 4th Street**
13. TITLE **Secretary**	**P.O. Box 91030** **Baton Rouge, LA 70821-9030**
14. DATE SUBMITTED July 7, 2023	

FOR CMS USE ONLY

16. DATE RECEIVED	17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL	21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Revision:

State **LOUISIANA**

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b Medicaid Recovery Audit Contractor Program

Citation		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.
Section 1902(a)(42)(B)(i) of the Social Security Act		
	X	The State is requesting an extension of the exception to establishing such program for the following reasons: 1. 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. 2. The majority of Louisiana's Medicaid claims are processed or paid through a capitated managed care program. 3. 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)(I) 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.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act		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.

TN <u>23-0026</u>   Approval Date <u>   </u>   Effective Date <u>August 6, 2023</u>
Supersedes
TN <u>21-0018</u>

	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).
	_____ 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(bb) 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.
Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act	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.