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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 23-0026

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Form 179
- 3) Approved SPA Pages



Medicaid and CHIP Operations Group

August 31, 2023

Kimberly Sullivan Interim Medicaid Executive Director State of Louisiana Department of Health 628 N 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030

Re: Louisiana State Plan Amendment (SPA) TN 23-0026

Ms. Sullivan:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 23-0026. This amendment proposes an extension of the exception from participation in the Recovery Audit Contractor (RAC) Program.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR 455 Subpart F. This letter is to inform you that Louisiana Medicaid SPA 23-0026 was approved on August 31, 2023, with an effective date of August 6, 2023, for a period not to exceed two years.

If you have any questions, please contact Tobias Griffin at 214-767-4425 or via email at <u>Tobias.Griffin@cms.hhs.gov</u>.

Sincerely,

Digitally signed by James G. Scott -S Date: 2023.08.31 19:07:42 -05'00'

James G. Scott, Director Division of Program Operations

Enclosures

cc: Mandy Strom, Acting Branch Manager Karen Barnes, LA Department of Health

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		
EOD. CENTERS FOR MEDICARE & MEDICARD SERVICES	1. TRANSMITTAL NUMBER 23-0026	2. STATE LA
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITL SECURITY ACT	E XIX OF THE SOCIAL
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	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)	
42 CFR 455 Subpart F	a. FFY <u>2023</u> \$ <u>0</u> b. FFY <u>2024</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)	
Section 4.5b, Pages 37 and 38	Same (TN 21-0018)	
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 11. SIGNATURE OF STATE AGENCY OFFICIAL	OTHER, AS SPECIFIED: The Governor does not review S 15. RETURN TO Tara A. LeBlanc, Medicai	
12. TYPED NAME Pam Diez, designee for Stephen R. Russo, JD	Louisiana Department of Health	
13. TITLE	628 North 4 th Street	
Secretary	P.O. Box 91030 Baton Rouge, LA 70821-9030	
14. DATE SUBMITTED July 7, 2023	Baton Rouge, EA 70021-5	050
FOR CMS USE	ONLY	
16. DATE RECEIVED	17. DATE APPROVED	
July 7, 2023		gust 31, 2023
PLAN APPROVED - ONE 18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OF	
IO, ET EGTIVE DATE OF AFFROVED MATERIAL	Digit	-FICIAL ally signed by James G. Scott - 2023.08.31 19:08:09 -05'00'
August 6, 2023	21. TITLE OF APPROVING OFFICIAI	
	21. TITLE OF APPROVING OFFICIAL	
August 6, 2023	Director, Division of Progr	

State LOUISIANA

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b Medicaid Recovery Audit Contractor Program

<u>Citation</u> 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.
Section 1902(a)(42)(B)(ii)(l) of the Act	 X The State is requesting an extension of the 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	 Louisiana was previously granted an exception from August 6, 2021 through August 6, 2023, and now seeks an exception from August 6, 2023 through August 6, 2025. Louisiana believes the objectives of the RAC program are effectively obtained through current program integrity efforts. 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.
	for collecting overpayments.

	56
	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 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.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	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)(III) 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)(IV)(aa) 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): 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.
Section 1902(a)(42)(B)(ii)(IV(bb) of the Act	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)(cc) 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.
	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.