

Jeff Landry  
GOVERNOR



Bruce D. Greenstein  
SECRETARY

**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

May 22, 2025

Courtney Miller, Director  
CMS/Center for Medicaid and CHIP Services  
Medicaid & CHIP Operations Group  
601 East 12<sup>th</sup> Street, Room 355  
Kansas City, Missouri 64106

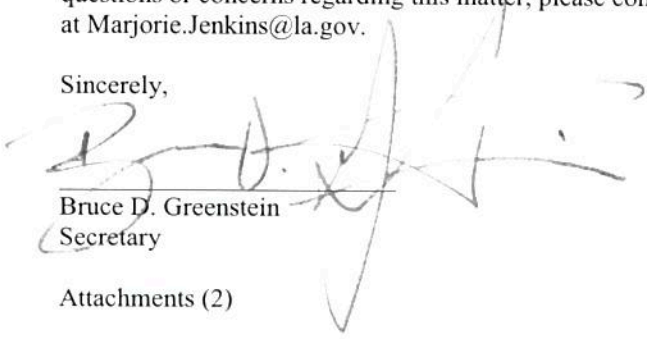
RE: Louisiana Title XIX State Plan  
Transmittal No. 25-0009

Dear Ms. Miller:

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 Marjorie Jenkins at (225) 342-3881 or via email at [Marjorie.Jenkins@la.gov](mailto:Marjorie.Jenkins@la.gov).

Sincerely,

  
Bruce D. Greenstein  
Secretary

Attachments (2)

BG:KS:Nf

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
**25-0009**

2. STATE  
**LA**

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

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**August 6, 2025**

5. FEDERAL STATUTE/REGULATION CITATION

**42 CFR 455 Subpart F**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY **2025** **\$0**  
b. FFY **2026** **\$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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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 23-0026)**

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.**

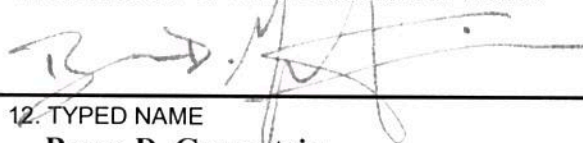
10. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

The Governor does not review State Plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

**Bruce D. Greenstein**

13. TITLE

**Secretary**

14. DATE SUBMITTED

**May 20, 2025**

15. RETURN TO

**Kimberly Sullivan, J.D.  
Medicaid Executive Director  
Louisiana Department of Health  
628 North 4<sup>th</sup> Street  
P.O. Box 91030  
Baton Rouge, LA 70821-9030**

**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

<p><u>Citation</u></p> <p>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 requesting an extension of the exception to establishing such program for the following reasons:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. The majority of Louisiana’s Medicaid claims are processed or paid through a capitated managed care program.</li> <li>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).</li> </ol> <p><b>Louisiana was previously granted an exception from August 6, 2023 through August 6, 2025, and now seeks an exception from August 6, 2025 through August 6, 2027. Louisiana believes the objectives of the RAC program are effectively obtained through current program integrity efforts.</b></p>
<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<p>_____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.</p> <p>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>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>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.</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>_____ 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.</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 Federal Financial Participation (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>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.</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 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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