

**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

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December 20, 2022

Susan Birch, Director  
Dr. Charissa Fotinos, Medicaid Director  
Health Care Authority  
PO Box 45502  
Olympia, WA 98504-5010

Re: Washington State Plan Amendment (SPA) Transmittal Number 22-0030

Dear Susan Birch and Dr. Fotinos:

We reviewed your proposed Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) WA 22-0030. This amendment updates the state plan to waive the Recovery Audit Contractor (RAC) Program.

This amendment proposes to renew the Recovery Audit Contract (RAC) exception for a two-year period. We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing Section 1902(a)(42)(B) of the Social Security Act. This letter informs you that Washington's Medicaid SPA Transmittal Number 22-0030 was approved on December 16, 2022, effective October 1, 2022, to September 30, 2024.

Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Washington State Plan.

If you have any questions, please contact Edwin Walaszek at 212-616-2512 or via email at [Edwin.Walaszek1@cms.hhs.gov](mailto:Edwin.Walaszek1@cms.hhs.gov).

Sincerely,

Sophia Hinojosa, Acting Director  
Division of Program Operations

Enclosures

cc: [Ann Myers-ann.myers@hca.wa.gov](mailto:Ann.Myers-ann.myers@hca.wa.gov)

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

1. TRANSMITTAL NUMBER  
2 2 — 0 0 3 0

2. STATE  
WA

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

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

4. PROPOSED EFFECTIVE DATE  
**October 1, 2022**

5. FEDERAL STATUTE/REGULATION CITATION  
1902(a) of the Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2022 \$ 0  
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Numbered Page 36b

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Numbered Page 36b

9. SUBJECT OF AMENDMENT  
Recovery Audit Contractor

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: Exempt

11. SIGNATURE OF STATE AGENCY OFFICIAL  
*Charissa Fotinos MD, MSc*

12. TYPED NAME  
Charissa Fotinos MD, MSc

13. TITLE  
Medicaid and Behavioral Health Medical Director

14. DATE SUBMITTED  
December 13, 2022

15. RETURN TO  
State Plan Coordinator  
POB 42716  
Olympia, WA 98504-2716

**FOR CMS USE ONLY**

16. DATE RECEIVED  
December 13, 2022

17. DATE APPROVED  
December 16, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
October 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Sophia Hinojosa

21. TITLE OF APPROVING OFFICIAL  
Acting Director, Division of Program Operations

22. REMARKS

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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4.5b Medicaid Recovery Audit Contractor Program

## Citation

Section 1902(a)(42)(V)(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.

  X   The State is seeking a time-limited exception to establishing such program for the following reasons:

*Washington State is respectfully requesting an extension to its current exception to establish a Medicaid RAC program. The State released a Request for Proposal on September 14, 2022, with a due date of September 23, 2022, and once again no bids were received.*

*Approximately 90% of Washington State's Medicaid population is enrolled in managed care and provider network payments are not subject to recovery audit contracting. The State has not received bids from any RAC vendor during the last four RFPs issued.*

*Washington State maintains a robust program integrity oversight program of fee-for-service (FFS) payments and has entered into a Joint Operating Agreement with Qlarant, the UPIC for the Western Region to assist in oversight of FFS expenditures. The State will leverage audits of FFS programs and providers with Qlarant to ensure appropriate oversight of FFS expenditures continue.*