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State/Territory Name:  Washington

State Plan Amendment (SPA) #: 18-0036

This file contains the following documents in the order listed:

1) Approval Letter
2) 179 Form
3) Approved SPA Pages
February 13, 2019

Susan Birch, Director
MaryAnne Lindeblad, Medicaid Director
Health Care Authority
PO Box 45502
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 18-0036

Dear Ms. Birch and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 18-0036. This amendment requested a full two-year exception to the federal requirement for a Recovery Audit Contractor (RAC).

This SPA was officially approved by CMS on February 4, 2019, with an effective date of October 1, 2018. The approved SPA pages and 179 form are enclosed.

If there are additional questions, please contact me or your staff may contact James Moreth at James.Moreth@cms.hhs.gov or (206) 615-2043.

Sincerely,

Associate Regional Administrator

cc:
Ann Myers, SPA Coordinator

Enclosures
## TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

**TO: REGIONAL ADMINISTRATOR**
- HEALTH CARE FINANCING ADMINISTRATION
- DEPARTMENT OF HEALTH AND HUMAN SERVICES

### 1. TRANSMITTAL NUMBER:
- **18-0036**

### 2. STATE
- Washington

### 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

### 4. PROPOSED EFFECTIVE DATE
- October 1, 2018

### 5. TYPE OF PLAN MATERIAL (Check One):
- [ ] NEW STATE PLAN
- [ ] AMENDMENT TO BE CONSIDERED AS NEW PLAN
- [X] AMENDMENT

#### COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

### 6. FEDERAL STATUTE/REGULATION CITATION:
- Section 1905(a) of the Social Security Act

### 7. FEDERAL BUDGET IMPACT:
- a. FFY 2019 $0
- b. FFY 2020 $0

### 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
- Numbered Pages 36b, 36c, 36d-

### 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
- Numbered Pages 36b, 36c, 36d

### 10. SUBJECT OF AMENDMENT

**Recovery Audit Contractors**

- **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
  - [X] OTHER, AS SPECIFIED: Exempt

### 12. SIGNATURE OF STATE AGENCY OFFICIAL:

- [Redacted]

### 13. TYPED NAME:
- MARYANNE LINDEBLAD

### 14. TITLE:
- MEDICAID DIRECTOR

### 15. DATE SUBMITTED:
- 11-29-18

**FOR REGIONAL OFFICE USE ONLY**

### 16. RETURN TO:
- Ann Myers
  - Office of Rules and Publications
  - Division of Legal Services
  - Health Care Authority
  - 626 8th Ave SE
  - MS: 42716
  - Olympia, WA 98504-2716

### 17. DATE RECEIVED:
- 11/29/18

### 18. DATE APPROVED:
- 2/4/19

### 19. EFFECTIVE DATE OF APPROVED MATERIAL:
- 10/1/18

### 20. SIGNATURE:

- [Redacted]

### 21. TYPED NAME:
- David L. Meacham

### 22. TITLE:
- Associate Regional Administrator

### 23. REMARKS:
- 2/12/19 - The state authorized a P&I change to block #8
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 a full exception to establish a Medicaid RAC program. The State released a Request for Proposal on July 11, 2018 with a due date of September 5, 2018, 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 two RFPs issued.

Washington State maintains a robust program integrity oversight program of fee-for-service (FFS) payments and is entering 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.

CMS has approved a time-limited two year full exception to establish a Medicaid RAC program with an effective date of 10/1/18.
Section 1902(2)(42)(B)(ii)(l) of the Act ___ The State/Medicaid Agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(l) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.