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State/Territory Name: WA

State Plan Amendment (SPA) #: 25-0021

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

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

November 21, 2025

Ryan Moran, Director
Trinity Wilson, Interim State Medicaid Director
Washington State Health Care Authority
Post Office Box 45502
Olympia, WA 98504-5010

Re: Washington State Plan Amendment (SPA) – 25-0021

Dear Director Moran and Trinity Wilson:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0021. This amendment proposed a change in operation status from a Medicaid Recovery Audit Contractor (RAC) exception to the acquisition of a Medicaid RAC.

We conducted our review of your submittal according to statutory requirements in 42 CFR §455 Subpart F. This letter informs you that Washington's Medicaid SPA TN WA-25-0021 is approved November 21, 2025, with an effective date of October 1, 2025.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated 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.

Sincerely,

Wendy E. Hill Petras
Acting Director, Division of Program Operations

Enclosures

cc: Ann Myers, Section Manager & State Plan Coordinator, Health Care Authority

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

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

1. TRANSMITTAL NUMBER
2 5 — 0 0 2 1 2. STATE
WA

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

5. FEDERAL STATUTE/REGULATION CITATION
Section 1902(a)(42)(V)(i) of the Social Security Act 42 CFR §455
Subpart F

4. PROPOSED EFFECTIVE DATE
October 1, 2025
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 \$ 0
b. FFY 2027 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Numbered Pages 36b, 36c, 36d, 36e

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Numbered Pages 36b (TN 22-0030), 36c (TN 18-0036), 36d (TN 16-0029), 36e (TN 16-0029)

9. SUBJECT OF AMENDMENT

Recovery Audit Contractor Update

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

15. RETURN TO

State Plan Coordinator

POB 42716

Olympia, WA 98504-2716

12. TYPED NAME

Charissa Fotinos, MD, MSc

13. TITLE

Medicaid and Behavioral Health Medical Director

14. DATE SUBMITTED

September 23, 2025

FOR CMS USE ONLY

16. DATE RECEIVED

September 23, 2025

17. DATE APPROVED

November 21, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

October 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Wendy E. Hill Petras

21. TITLE OF APPROVING OFFICIAL

Acting Director, Division of Program Operations

22. REMARKS

11/19/25: State authorizes the following pen and ink change:

- Box 5-Change to 42 CFR §455 Subpart F

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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.

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

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

4.5b Medicaid Recovery Audit Contractor Program

Section 1902(2)(42)(B)(ii)(I)
of the Act

X The State/Medicaid Agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

4.5b Medicaid Recovery Audit Contractor Program

Place a check mark to provide assurance of the following:

Section 1902(a)(42)(B)(ii)(II)(aa)
of the Act The State will make payments to the RAC(s) only from amounts recovered. The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

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): 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 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 FFP up to the amount equivalent to that published rate. 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.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

4.5b Medicaid Recovery Audit Contractor Program (cont)

Section 1902 (a)(42)(B)(ii)(II)(BB)
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): Percentage of the contingency fee.

Section 1902 (a)(42)(B)(ii)(III)
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)(aa)
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.

Section 1902(a)(42)(B)(ii)(IV(bb)
of the Act

The State assures that the recovered amounts will be subject to a 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.