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State Plan Amendment

SPA 18-0017 EPSDT Fees - Effective 08/15/2018

This file contains the following documents in order listed:

1. CMS Approval Letter
2. CMS Form 179
3. Superseding Page Listing (Attachment to Blocks 8 & 9 of CMS Form 179)
4. Approved SPA Page
September 13, 2018

Our Reference: TX SPA 18-0017

Ms. Stephanie Muth
State Medicaid Director
Texas Health and Human Services Commission
Mail Code: H100
P.O. Box 13247
Austin, Texas 78711

Dear Ms. Muth:

We have reviewed the State’s proposed amendment to your Medicaid State Plan submitted under Transmittal Number (TN) 18-0017, dated August 3, 2018. This amendment requests two exemptions to 42 Code of Federal Regulations (CFR) 445.508. Specifically, the State is requesting an exemption to 42 CFR 455.508(b) to allow the State’s recovery audit contractor (RAC) to maintain and utilize a panel of physicians with a variety of specialties, including a contracted physician with a Texas license, in lieu of hiring a minimum of 1.0 full-time equivalent Medical Director who is licensed to practice in the State. The panel approach allows reviews to be conducted by the physicians with medical specialties that align with the specialty under review.

The State is also requesting an exemption to 42 CFR 445.508(f) to allow the State’s RAC to review claims that are up to five years old, with the start date being the date the claim was submitted to the State or one of its agents. Extending the look-back period to five years (from the current three-year period) will enable the RAC to operate within limitations that are consistent with state Medicaid guidelines contained in the Texas Medicaid Provider Procedures Manual.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas state plan with an effective date of August 15, 2018, as requested. A copy of the CMS-179 form as well as the approved plan pages are included with this letter.

If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by e-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,

Bill Brooks
Associate Regional Administrator

Cc: Dana Williamson, Manager, Policy Development Support
The purpose of this amendment is to request two exemptions to 42 CFR §455.508. Specifically, the State is requesting an exemption to 42 CFR §455.508(b) to allow the State's recovery audit contractor to maintain and utilize a panel of physicians with a variety of specialties, including a contracted physician with a Texas license, in lieu of hiring a minimum of 1.0 full-time equivalent Medical Director who is licensed to practice in the State. The panel approach allows reviews to be conducted by physicians with medical specialties that align with the specialty under review.

The State is also requesting an exemption to 42 CFR §455.508(f) to allow the State's recovery audit contractor to review claims that are up to five years old, with the start date being the date the claim was submitted to the State or one of its agents. Extending the look-back period to five years (from the current three-year period) will enable the recovery audit contractor to operate within limitations that are consistent with state Medicaid guidelines contained in the Texas Medicaid Provider Procedures Manual.
<table>
<thead>
<tr>
<th>Number of the Plan Section or Attachment</th>
<th>Number of the Superseded Plan Section or Attachment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic State Plan</td>
<td>Basic State Plan</td>
</tr>
<tr>
<td>Page 36b</td>
<td>Page 36b (TN 14-045)</td>
</tr>
</tbody>
</table>

State: Texas
Date Received: 08-03-18
Date Approved: 09-13-18
Date Effective: 08-15-18
Transmittal Number: 18-0017
## 4.5 Medicaid Agency Fraud Detection and Investigation

### 4.5b - Medicaid Recovery Audit Contractor Program

<table>
<thead>
<tr>
<th>Citation</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The State is seeking an exception to establishing such program for the following reasons:</td>
</tr>
<tr>
<td></td>
<td>The State is exempt from 42 CFR §455.508(b) to the extent that it may allow the State’s recovery audit contractor to maintain and utilize a panel of physicians with a variety of specialties, including a contracted physician with a Texas license, in lieu of hiring a minimum of 1.0 full-time equivalent Medical Director who is licensed to practice in the State.</td>
</tr>
<tr>
<td></td>
<td>The State is exempt from 42 CFR §455.508(f) to the extent that it may allow the State’s recovery audit contractor to review claims that are up to five years old, with the start date being the date the claim was submitted to the State or one of its agents.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
</tbody>
</table>

Place a check mark to provide assurance of the following:

- [x] The State will make payments to the RAC(s) only from amounts recovered.
- [x] The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

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**TN:** 18-0017  
**Approval Date:** 09-13-18  
**Supersedes TN:** 14-045  
**Effective Date:** 08-15-18  
**State:** Texas  
**Date Received:** 08-03-18  
**Date Approved:** 09-13-18  
**Date Effective:** 08-15-18  
**Transmittal Number:** 18-0017