

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909



February 6, 2012

Mr. Neville Wise, Acting Commissioner
Cabinet for Health and Family Services
Department for Medicaid Services
275 E. Main Street, 6W-A
Frankfort, KY 40621

Re: Kentucky Title XIX State Plan Amendment, Transmittal #11-012

Dear Mr. Wise:

We have reviewed Kentucky State Plan Amendment (SPA) 11-012, which was submitted to the Atlanta Regional Office on November 15, 2011. This State Plan Amendment (SPA) was submitted to request an exception to the three year look back period to the Recovery Audit Contractor (RAC) Program. The State is requesting a five year look back period.

Based on the information provided, the Medicaid State Plan Amendment KY 11-012 was approved on February 1, 2012. The effective date of this SPA is January 1, 2012. The signed HCFA-179 and the approved plan page are enclosed.

If you have any questions regarding this amendment, please contact Maria Drake at (404) 562-3697.

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze". The signature is written in a cursive, flowing style.

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
11-012

2. STATE
Kentucky

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE
01/01/12

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 455.508(f)
42 CFR 455.508(b)
42 CFR 455.506(a)(1)

7. FEDERAL BUDGET IMPACT:

- a. FFY 2011 - Budget Neutral
b. FFY 2012 - Budget Neutral

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Section 4, Page 36c
Section 4, Page 36d
Section 4, Page 36e

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

None

10. SUBJECT OF AMENDMENT

The purpose of this State Plan Amendment is to request exceptions to the Recovery Audit Contractor Program – three year look back, Medical Director and exception of Managed Care to RAC.

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

OTHER, AS SPECIFIED: Review delegated
to Commissioner, Department for Medicaid
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Neville J. Wise

13. TYPED NAME: Neville Wise

14. TITLE: Acting Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: November 9, 2011

16. RETURN TO:

Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 11/15/11

18. DATE APPROVED: 02/01/12

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/12

20. SIGNATURE OF REGIONAL OFFICIAL:

Jackie Glaze

21. TYPED NAME: Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children Health Opns

23. REMARKS:

Approved with the following changes to item 8 as authorized by State Agency on email dated 01/25/12:

Blocked #8 changed to read: Section 4, Page 36c

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5.1 Medicaid Recovery Audit Contractor Program (EXCEPTIONS)

Citation	Exception
42 CFR 455.508(f)	<p data-bbox="691 432 1268 462">1. Exception from 3 year look back period</p> <p data-bbox="773 499 1490 695">The Commonwealth of Kentucky (hereinafter referred to as the Commonwealth) is requesting an exception to the 3 year look back period defined in §455.508 Eligibility requirements for Medicaid RACs (f) that states, "The entity must not review claims that are older than 3 years from the date of the claim, unless it receives approval from the State."</p> <p data-bbox="773 732 1490 829">Kentucky seeks approval for a 5 year look back period for its retrospective reviews in order to be consistent with Kentucky policy prior to CMS RAC regulations.</p> <p data-bbox="773 867 1490 993">Kentucky Administrative code requires all Medicaid participating providers to maintain documentation for a minimum of five years from "a. the date of final payment for services"</p> <ul data-bbox="773 1037 1490 1600" style="list-style-type: none"><li data-bbox="773 1037 1490 1234">• This requirement not only holds Medicaid providers responsible for the accuracy of paid claims, but also allows the Commonwealth to recover any overpayments identified due to noncompliance with the Commonwealth rules and regulations for a five year period.<li data-bbox="773 1272 1490 1369">• A five year look back period is consistent with the record requirement period by other licensing and regulatory agencies.<li data-bbox="773 1407 1490 1600">• A five year look back maximizes the identified overpayments and lessened the interval period by which a particular provider can be cost effectively audited. The five year look back period will result in audit cost saving and be less burdensome to the providers.