

## *The Medicaid Integrity Program*

Health Care Compliance Association's  
13<sup>th</sup> Annual Compliance Institute  
Las Vegas, Nevada  
April 28, 2009

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## Deficit Reduction Act of 2005 (DRA)

- Section 6034 of the DRA created the Medicaid Integrity Program at § 1936 of the Social Security Act (SSA)(42 U.S.C. § 1396u-6). Signed into law in February 2006.
- Created first federal program to conduct Medicaid provider audits.
- Provided new funding, staff for Centers for Medicare & Medicaid Services (CMS).
- CMS created the Medicaid Integrity Group (MIG) to implement the Medicaid Integrity Program.

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## Two main lines of business

- Conduct post-payment audits of providers and, where appropriate, identify overpayments.
- Provide support and assistance to states in relation to issues involving provider fraud, waste, and abuse.

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## Partnership with States

- Medicaid Integrity Program's purpose is to support, not supplant, program integrity efforts of the states.
- MIG has utilized an Advisory Committee. States have played, and will continue to play an integral role in this Committee --- and they will continue to play an important role in the implementation of the Medicaid Integrity Program.

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## Organization of the Medicaid Integrity Group

- Office of Group Director: oversees overall implementation of Medicaid Integrity Program.
- Division of Medicaid Integrity Contracting (DMIC): oversees procurements, evaluation and oversight of MICs.
- Division of Fraud Research & Detection (DFRD): oversees data-mining strategies.
- Division of Field Operations (DFO): has staff members in CMS regional offices in New York, Chicago, Atlanta, Dallas, and San Francisco.
  - Conducts management reviews of state program integrity operations.
  - Provides support, assistance to states concerning Medicaid program integrity issues.

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## Contracts for the Performance of Medicaid Integrity Program

- Key Medicaid Integrity Contractor (MIC) Activities:
  - reviewing of Medicaid claims to see whether potentially inappropriate payments or fraud may have occurred (Review MICs);
  - auditing Medicaid claims and identify overpayments (Audit MICs); and
  - educating state Medicaid program integrity employees, Medicaid providers, beneficiaries, and others concerning payment integrity and quality-of-care issues (Education MICs).

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### Objectives of MICs

- Ensure that paid claims were:
  - for services provided and properly documented;
  - for services billed properly, using correct and appropriate procedure codes;
  - for covered services; and
  - paid according to federal and state laws, regulations, and policies.

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### Review MICs

- Analyze Medicaid claims data to identify high-risk areas and potential vulnerabilities
- Provide leads to the Audit MICs, which conduct audits.
- Use data-driven approach to ensure focused efforts on truly aberrant billing practices.

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### Review MICs (cont'd)

- Utilize computer algorithms to analyze Medicaid claims data for aberrancies.
- Examples:
  - Services after death
  - Duplicate claims
  - Unbundling
  - Outpatient claims during inpatient stay

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## Audit MICs

- Conduct post-payment audits of Medicaid providers.
- Combination of desk audits and field audits.
- Fee-for-service and cost report audits now; later to add managed care audits.
- Will identify overpayments, but will not be involved in collection of these.

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## Audit MICs (cont'd)

- CMS collects federal share of overpayment from the states. States pursue collection of overpayment from providers, according to state law. Providers will utilize state adjudication process to challenge overpayment.
- No contingency contracts for the identification of overpayments.
- As appropriate, will make fraud referrals to the HHS Office of Inspector General, which, in turn, will send the referrals to the state Medicaid Fraud Control Unit (MFCU).

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## Audit MICs (cont'd)

- MIG will coordinate with states, law enforcement, and Medicare contractors to avoid duplication of effort.
- MIG will allow state Medicaid agencies multiple opportunities to provide input/feedback on preliminary audit findings before they are finalized.
- MIG will also allow providers an opportunity to review and comment upon preliminary audit findings.
- Also see Medicaid Integrity Program provider audit "Fact Sheet":  
<http://www.cms.hhs.gov/FraudAbuseforProfs/Downloads/mipproviderauditfactsheet.pdf>

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## Who are the MICs?

- Review MICs:
  - ACS Healthcare Analytics
  - AdvanceMed Corporation (AdvanceMed)
  - IMS Government Solutions
  - SafeGuard Services
  - Thomson Reuters

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## Who are the MICs (cont'd)

- Audit MICs:
  - Booz Allen Hamilton (Booz)
  - Fox & Associates
  - Health Integrity
  - Health Management Systems (HMS)
  - IPRO

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## MIC Procurement Awards

- April 2008: CMS awarded 1<sup>st</sup> Review and Audit MIC task orders for CMS Regions III and IV.\*
  - Review MIC task order went to Thomson Reuters.
  - Audit MIC task order went to Booz.

\* Region III: DC, DE, MD, PA, VA, WV  
Region IV: AL, FL, GA, KY, MS, NC, SC, TN

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## MIC Procurement Awards (cont'd)

- In September 2008, CMS awarded 2<sup>nd</sup> Review and Audit MIC task orders, covering CMS Regions VI and VIII.\*
  - Review MIC task order went to AdvanceMed.
  - Audit MIC task order went to HMS.

\* Region VI: AR, LA, NM, OK, TX  
Region VIII: CO, MT, ND, SD, UT, WY

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## Education MICs

- Purpose is to educate Medicaid providers, beneficiaries, and others concerning payment integrity and quality-of-care issues.
- September 2008: CMS made award of umbrella contract to Information Experts and Strategic Health Solutions.
- First task order expected to be awarded in spring 2009.

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## Support and Assistance to States

- State Medicaid program integrity reviews.
- Technical assistance to Medicaid agencies on program integrity issues.
- State Medicaid Director letters
  - January 2009 letter on provider exclusions, obligations to warn providers to screen employees:  
<http://www.cms.hhs.gov/SMDL/downloads/SMD011609.pdf>
  - June 2008 letter on provider exclusions, states' obligations to screen providers:  
<http://www.cms.hhs.gov/smdl/downloads/SMD061208.pdf>

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## Support and Assistance to States (cont'd)

- Best practices guides.
  - Guide to state Medicaid program integrity offices on relationships with MFCUs:  
<http://www.cms.hhs.gov/FraudAbuseforProfs/Downloads/bestpracticespiunitinteractionswithmfcu.pdf>
  - Guides/information for states, providers concerning the federal tamper-resistant prescription law (SSA Section 1903(i)(23), 42 U.S.C. § 1936b(i)(23)):  
<http://www.cms.hhs.gov/DeficitReductionAct/Downloads/Tamper.pdf>;  
<http://www.cms.hhs.gov/DeficitReductionAct/Downloads/MIPTRPFAs9122007.pdf>;  
<http://www.cms.hhs.gov/DeficitReductionAct/Downloads/tamperapril1.pdf>

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## Support and Assistance to States (cont'd)

- Medicaid Integrity Institute: free training for state Medicaid program integrity employees, officials on various program integrity subjects. Trained 400 students in FY 2008; expect to train 700 in FY 2009.

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## CMS Web Site

- <http://www.cms.hhs.gov/home/medicaid.asp>: look for section on "Medicaid Integrity Program," which includes links to Reports to Congress and comprehensive five-year plan.
- <http://www.cms.hhs.gov/DeficitReductionAct/> has links to Medicaid Integrity Program's annual Reports to Congress, five-year plan, and various documents for state government officials.

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## MIG Contact Information

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