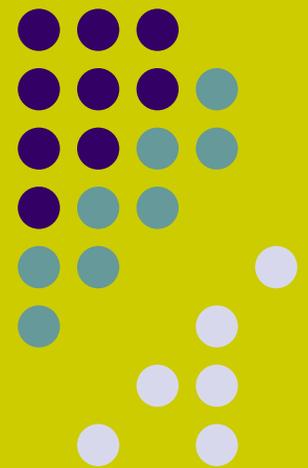
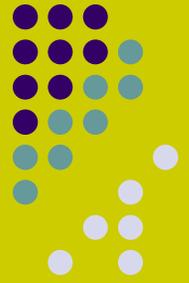


# Program Integrity

CURRENT FRAUD AND ABUSE  
INITIATIVES IN NORTH  
CAROLINA

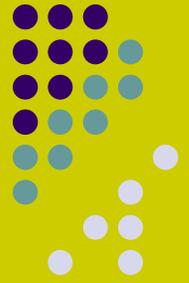


# OVERVIEW



- **Program Integrity (PI)**
- **Attorney General Medicaid Fraud Investigation Unit (AGO/MIU)**
- **Advanced Med (Medi-Medi)**
- **Zone Program Integrity Contractor (ZPIC)**
- **Payment Error Rate Measurement (PERM)**
- **Medicaid Integrity Contractors (MIC)**
- **Credit Balance Reviews and HMS**

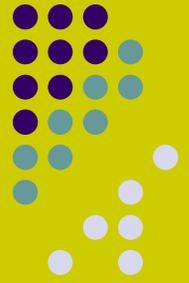
# Program Integrity



- Program Integrity ensures compliance, efficiency, and accountability within the NC Medicaid Program by:
- detecting and preventing fraud, waste, program abuse, and
- ensuring that Medicaid dollars are paid appropriately by implementing tort recoveries, pursuing recoupment, and identifying avenues for cost avoidance

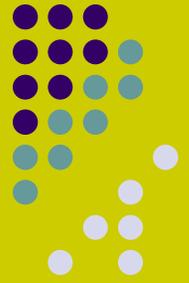
Program Integrity utilizes various methods to assist with it's efforts to insure compliance with federal and state regulations, policies and procedures

# Program Integrity



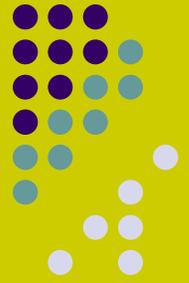
1. Utilize analytical software to identify outliers and patterns
2. Internal and external partners to include vendors to assist with ensuring program compliance
3. Conducting random samples and extrapolating the error percentages

# Program Integrity



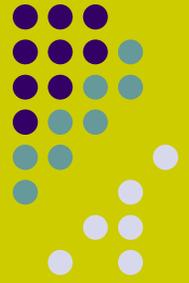
- Program Integrity actively pursues leads indicating fraudulent practices and uses them as a source to begin investigations
- Program Integrity is partnered with the Medicare carriers and Federal staff to share information and conduct joint investigations.
- Program Integrity identifies potential Medicaid fraud.....

# Medicaid Investigation Unit



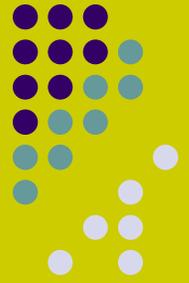
- The Attorney General's Medicaid Investigations Unit (MIU) takes the legal action to convict a provider of fraud and other criminal charges or seek civil dollars.
- The MIU coordinates their efforts with the IRS, SBI, FBI, DEA, US Attorney, OIG and the Medicaid Fraud Control Units in other states to resolve fraud cases.
- As a general rule, once a case is taken by the MIU, Program Integrity staff involvement with the provider ceases.

# Medi-Medi Contractor



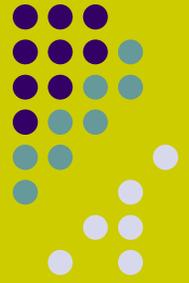
- Medicare-Medicaid Data Match Program (Medi-Medi)
- Advance Med is the Zone Program Integrity Contractor (ZPIC),
- Vision: To enhance collaboration and reduce fraud, waste, and abuse.
- CMS is responsible for contracting with a ZPIC to administer the Medi-Medi program in each state or region.

# ZPIC Contractor



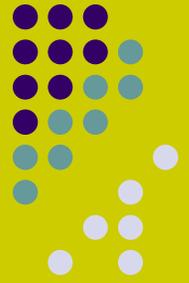
- The ZPIC is responsible for program integrity services for all Medicare claim types, including Parts A, B, C, and D, Regional Home Health Intermediary and Durable Medical Equipment, Prosthetics, Orthotics and Supplies and Medi Medi.

# ZPIC Partners



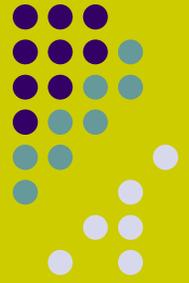
- Multiple partners involved in the program:
  - State Medicaid Agency
  - CMS
  - ZPIC
  - State and Federal Law enforcement agencies, including:
    - Medicaid Fraud Control Units (MFCU)
    - HHS/OIG
    - FBI
    - United States Attorney's Office (USAO)
    - IRS
    - DEA

# PAYMENT ERROR RATE MEASUREMENT (PERM)



- Program developed to comply with the Improper Payments Information Act of 2002
- PERM measures improper payments in Medicaid and the Children's Health Insurance Program (CHIP)
- First measurement was in 2006 with Medicaid FFS

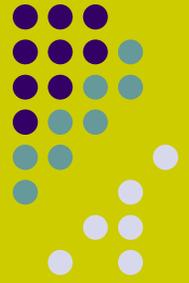
# Currently Two Vendors



Statistical Contractor (SC) is Livanta LLC and provides:

- Collects universe data from States
- Selects samples from the universes
- Performs Quality Control procedures to assure accurate and complete universes
- Requests details from the State and maps data to a standard format
- Mine the Data/Select Random Samples

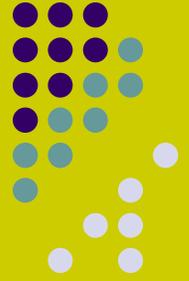
# PERM Review Vendor



Review Contractor (RC) is A+ government Solutions

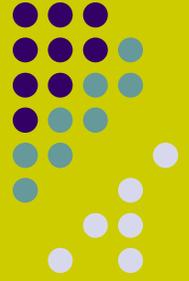
- Requests State policies for medical review
- Performs data processing and medical reviews on sampled units
- Requests medical records from providers
- Resolves differences between State and the findings of the review contractor
- Provides the final findings to the SC
- Performs Medical and Data Processing Reviews

# MEDICAID INTEGRITY CONTRACTOR



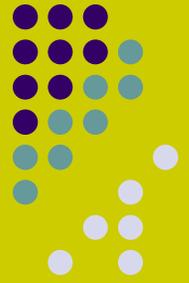
- The Deficit Reduction Act of 2005 created the Medicaid Integrity Program
- Dramatically increased the Federal Government's role and responsibility in combating Fraud, Waste and Abuse
- Three Vendors

# Review MIC



- Thomson Reuters the Review MIC analyze claims data to identify aberrant claims and potential billing vulnerabilities, and provides referrals to the Audit MIC
- They mine the data

# AUDIT MIC



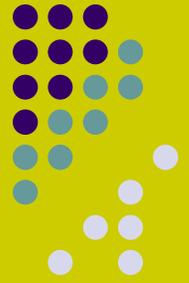
- The Audit MIC for North Carolina is Health Integrity.
- The Audit MIC conducts post-payment audits of all types of Medicaid providers and identifies improperly paid claims.

# EDUCATION MIC



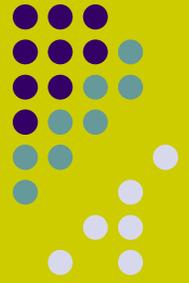
- There are two Education MICs:
  - Information Experts
  - Strategic health Solutions
- Education MICs work with the Review and Audit MICs to educate health care providers, State Medicaid officials, and others about a variety of Medicaid program integrity issues

# CREDIT BALANCE (Overpayment Recovery) REVIEWS & HMS



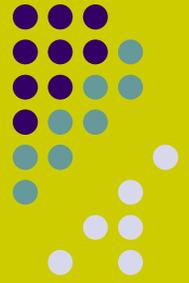
- HMS examines provider financial documents, including credit balance reports, debit adjustment reports and related claims documentation
- Review does not involve medical records
- HMS informs provider of overpayments and/or third party payments made to the facility and not appropriately credited to the Division
- If provider does not submit refund check or adjust Remittance Advice, DMA initiates recoupment

# HOW DUPLICATION IS AVOIDED



- CMS vets potential audits with the state and law enforcement agencies, and Medicare contractors.
- Vetting is a process whereby CMS provides a list of potential audits generated by data analysis.
- CMS may cancel or postpone MIC audits to avoid duplication.
- CMS forwards the list of providers reviewed to the audit MIC after the vetting process is completed.

# Other Enforcement Entities:

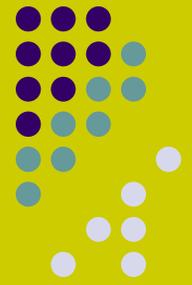


Program Integrity coordinates enforcement activities with the Division of Health Services Regulations and Licensing Boards to include (this list is not all inclusive) :--

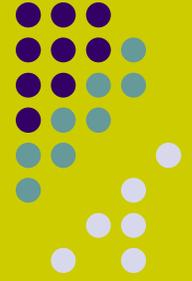
(What they do)

- Board of Medical Examiners
- North Carolina Board of Pharmacy
- The North Carolina Dental Society
- The North Board of Nursing
- 163/926 Information sharing relationship between auditing and licensure

# Summary



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**Questions?**