

Health Care Reform: Patient Protection and Affordable Care Act

Overview of Implementation for Program Integrity:

Medicaid and Health Choice

Fraud and Abuse Workgroup – August 16, 2010



Setting the Stage in NC

- Recognition that Medicaid and SCHIP (Health Choice) are not the only players – true for combating fraud/abuse and misuse.
 - Private Insurance Companies
 - Other State Agencies
 - Medicare, Newly formed Exchanges and OTHER state regulatory agencies
- Prior to the enactment of PPACA, Program Integrity functions were a priority for Medicaid.
 - In March 2010, Governor Perdue announced her plan to address fraud and abuse in NC Medicaid
 - The initiative included new software, additional staffing and resources and an educational and public awareness campaign for taxpayers, recipients and providers.
 - These resources were in addition to DMA's internal re-engineering of Program Integrity
- Most of this section of PPACA are effective January 1, 2011
 - Details are still being released by CMS



What is Program Integrity?

- For Medicaid, program integrity is designed to combat fraud, abuse, waste and abuse.
- Includes processes directed at reducing improper payments, as well as activities to prevent, detect, investigate and ultimately prosecute health care fraud and abuse.
- Also includes ensuring correct payments are made to legitimate providers for appropriate services to eligible recipients.
- Program Integrity is across DMA and Attorney General's Office
 - Upfront prevention
 - Prepayment and post payment reviews and recoupments
 - Criminal Investigations and prosecution

Program Integrity

- The Governor's Plan to address Medicaid Fraud, Abuse and Misuse moves NC in high gear to meet the requirements
 - *Analytical Software*
 - *Additional staffing and IT capabilities*
 - *Enhanced post payment review and prepayment review*
 - *Providers can be placed on prepayment which means no payments are made until documentation is reviewed – NC utilizes this option*
 - *Post payment reviews*
- **Enhances screening procedures to be based upon risk factors**
 - *Outlier management: Analytical software*
 - *First reports are currently being reviewed*
 - *Current risk based monitoring example: Frequency in Monitoring Tool used with DMA/DMH/LME*
- **Medicaid Participation Agreements**
 - *Allows for review of any and all documents related to Medicaid*
 - *Unannounced reviews or visits*
 - *Compliance with ALL state laws and regulations*
 - *Payroll taxes*
 - *Income taxes*
 - *Criminal History*



Program Integrity

- Enrollment or revalidation of providers: Revised Provider Enrollment and Termination Rules are in process
 - *Uncollected debt – failure to pay*
 - *Payment suspension or billing privileges revoked*
 - *NC currently has the authority and exercises suspension of payment when recoupments letters are issued*
 - *Exclusions from other health care programs in state or external to NC*
 - *Currently exclude when listed on OIG exclusion, Medicare and under certain conditions within NC DHHS*
 - *Sharing provider data among states and agencies*
 - *More specifics are expected*
 - *Adherence to state rules and requirements linked to enrollment and receipt of Medicaid payments*
 - *Background checks are part of the current enrollment and re-enrollment process*
 - *Re-enrollment every 3 years*
 - *Enrollment fee of \$100*

Program Integrity

- Data reporting
 - *Sharing across federal/state agencies (IRS, Revenue, DHSR, Licensing Boards)*
 - *Cross function teams*
 - *Standards for states to report to CMS and penalties for failure to meet requirements*
 - *Waiting CMS guidance on new reporting requirements*
 - *DMA currently reports to our exclusions and sanctions*
 - *PPACA will combine multiple databases into a single point of reporting*
- Data reporting requirements for recoupments, program integrity activities
 - *Program Integrity Dashboard: cases opened, cases closed, referrals, dollars recouped, time for case closure*

Program Integrity

- Increases provider standards and disclosures (supports NC actions)
 - *Ownership(5%) and management positions required on enrollment application*
 - *Failure to disclose or falsifying application*
 - *NC has the authority to establish bonds based upon size and volume of billing based upon risk. Rules were published and comments are under review*
 - *Exclusion from enrollment or re-enrollment when managers or entities have met certain “sanctions” or non-allowed activities – good standing rules*
- State data systems must identify areas of fraud, abuse, misuse
 - *NC’s analytical software*
 - *Prepayment reviews – stopping the payments up front*
 - *Identifies outliers which triggers targeted reviews*
 - *Requires program integrity functions to be reported through the MMIS*
 - *New system requirements for our new system*



Program Integrity

- Other State Initiatives not referenced in PPACA
 - Additional criminal investigators with the Medicaid Investigation Unit
 - Additional attorneys in the Medicaid Section of the AG's Office
 - Enhancement of contractors such as Medicaid SWAT teams and third party recovery
- Health Choice will participate with all functions currently underway with Medicaid
 - Enrollment
 - Pre and post payment activities
 - Outlier management
- Document storage and case tracking software in order to close cases quicker, maintain proper trail for hearings and legal proceedings and produce accurate and timely statistics
- Additional training for PI staff, including requirement to achieve certification