

THE  
**PEW**  
CENTER ON THE STATES

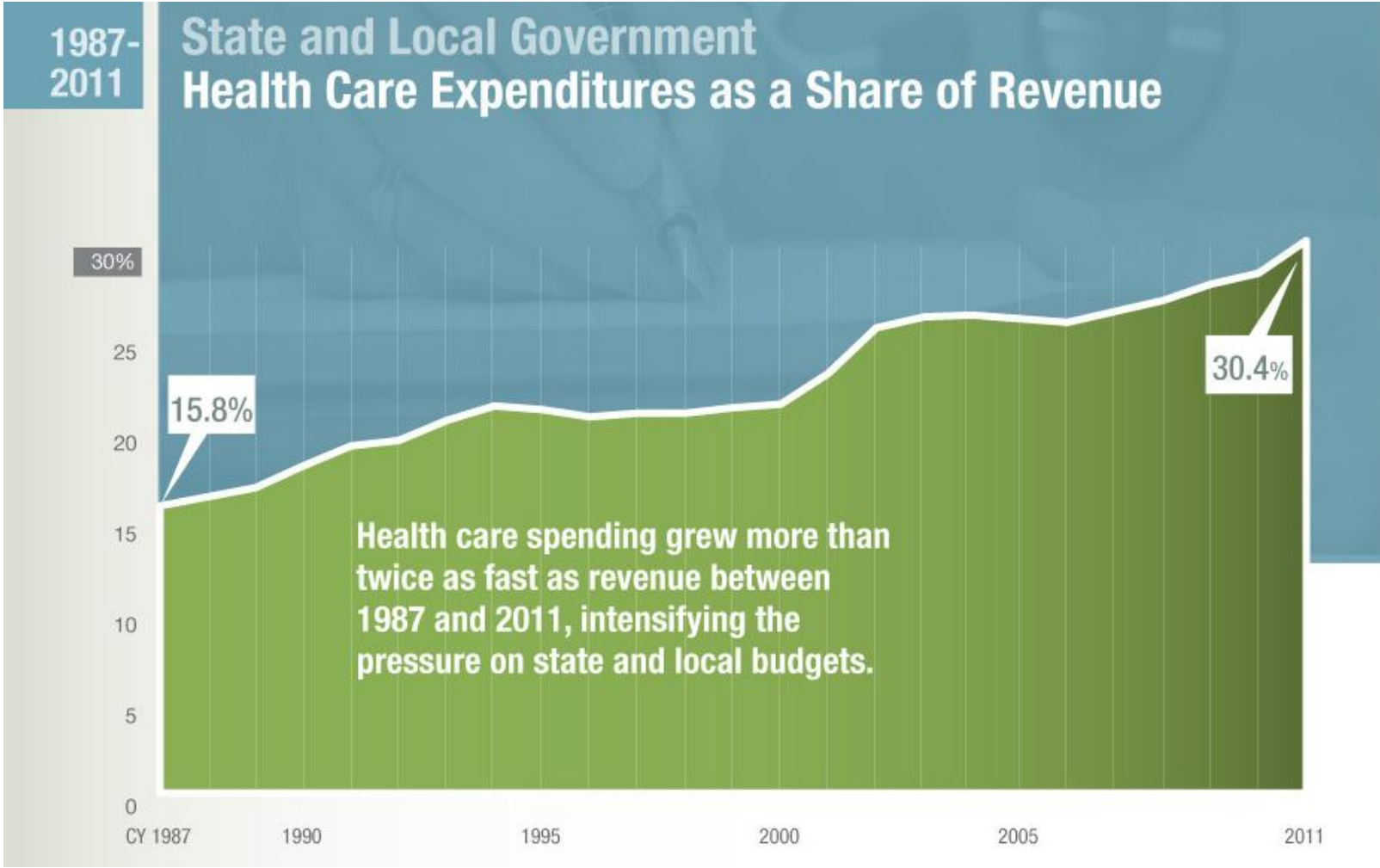
MacArthur  
Foundation

# Combating Medicaid Fraud & Abuse

NCSL New England Fiscal Leaders Meeting  
February 22, 2013

**Kavita Choudhry**  
State Health Care Spending Project  
Pew Charitable Trusts

# Pressure on state and local budgets



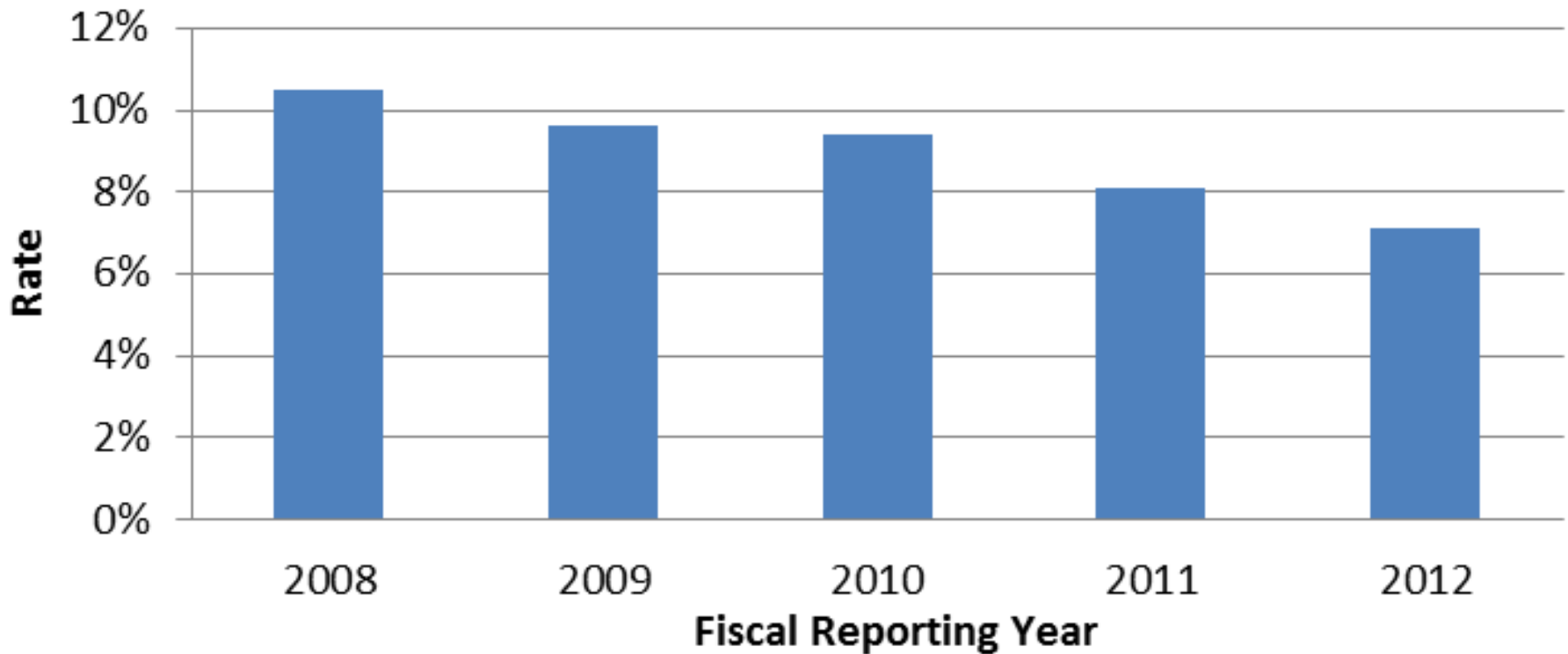
Source: Pew analysis of CMS and BEA data. <http://www.pewstates.org/research/reports/health-care-spending-slowdown-not-for-states-and-localities-85899445452?p=2>

## **\$19 Billion:** Medicaid improper payments FY2012

- **Fraud:** misrepresentation of services rendered
- **Abuse:** practices that, either directly or indirectly, result in unnecessary costs to the program
- **Waste:** inaccurate payments for services, such as unintentional duplicate payments

Source: Centers for Medicare & Medicaid Services

## Historical Improper Payment Rates for Medicaid



Source: Centers for Medicare & Medicaid Services

# Many key resources, but...

## Federal

CMS Medicaid Integrity Program  
HHS - Office of the Inspector General  
Health Care Fraud & Abuse Control Program (HHS – DOJ)  
Health Care Fraud Prevention and Enforcement Action Team (HHS – DOJ)  
Department of Justice, Office of the Inspector General  
Administration on Aging  
Congress  
GAO  
GSA - Excluded Parties List System (EPLS)

## Federal-State Programs

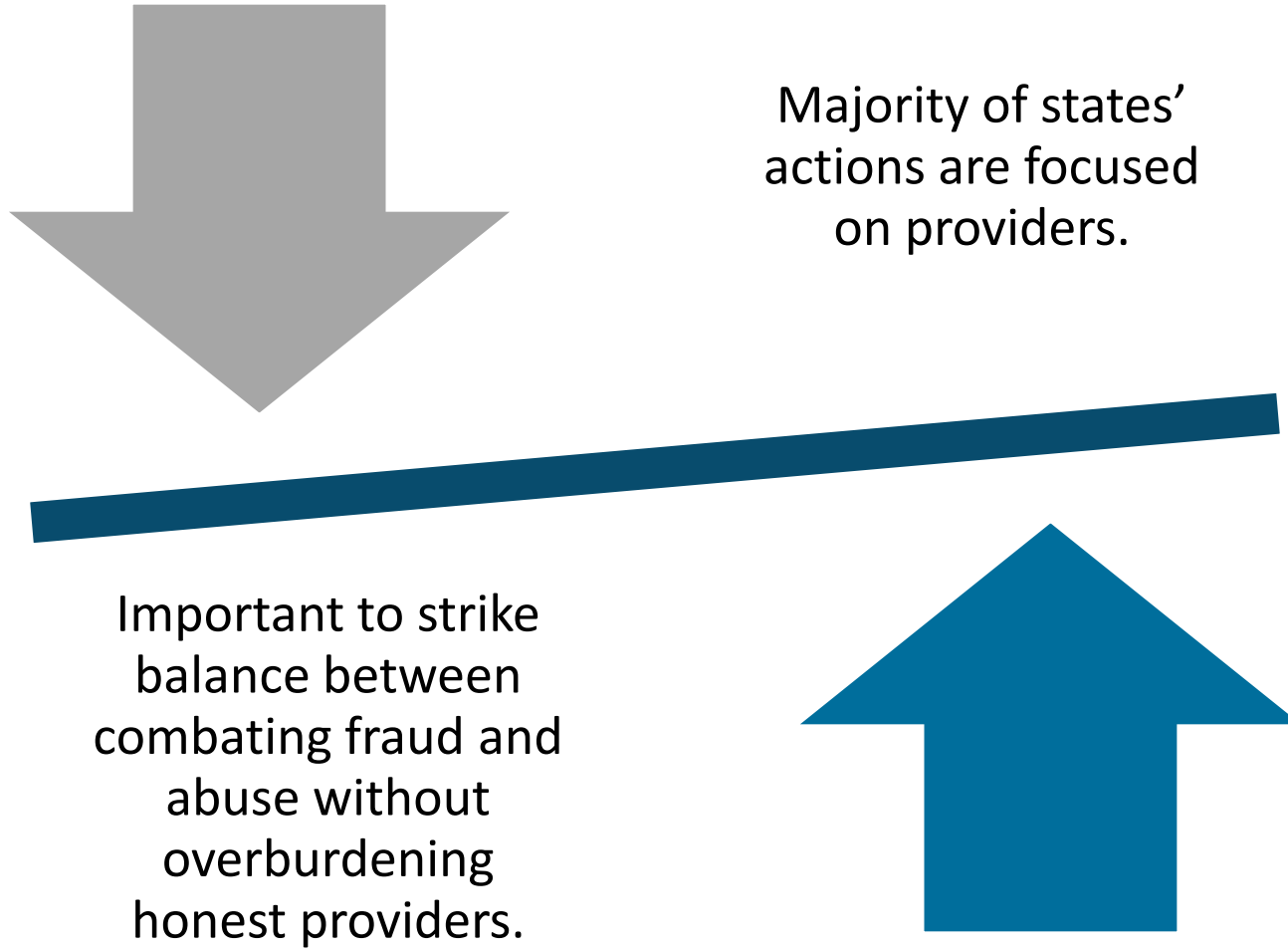
Medicaid Integrity Contractors (MICs)  
Medicaid Recovery Audit Contractors (RACs)  
Medicare-Medicaid Data Match Program (Medi-Medi)  
Medicaid Integrity Institute (MII)  
Medicaid Eligibility Quality Control Program (MEQC)  
Payment Error Rate Measurement (PERM)

## State

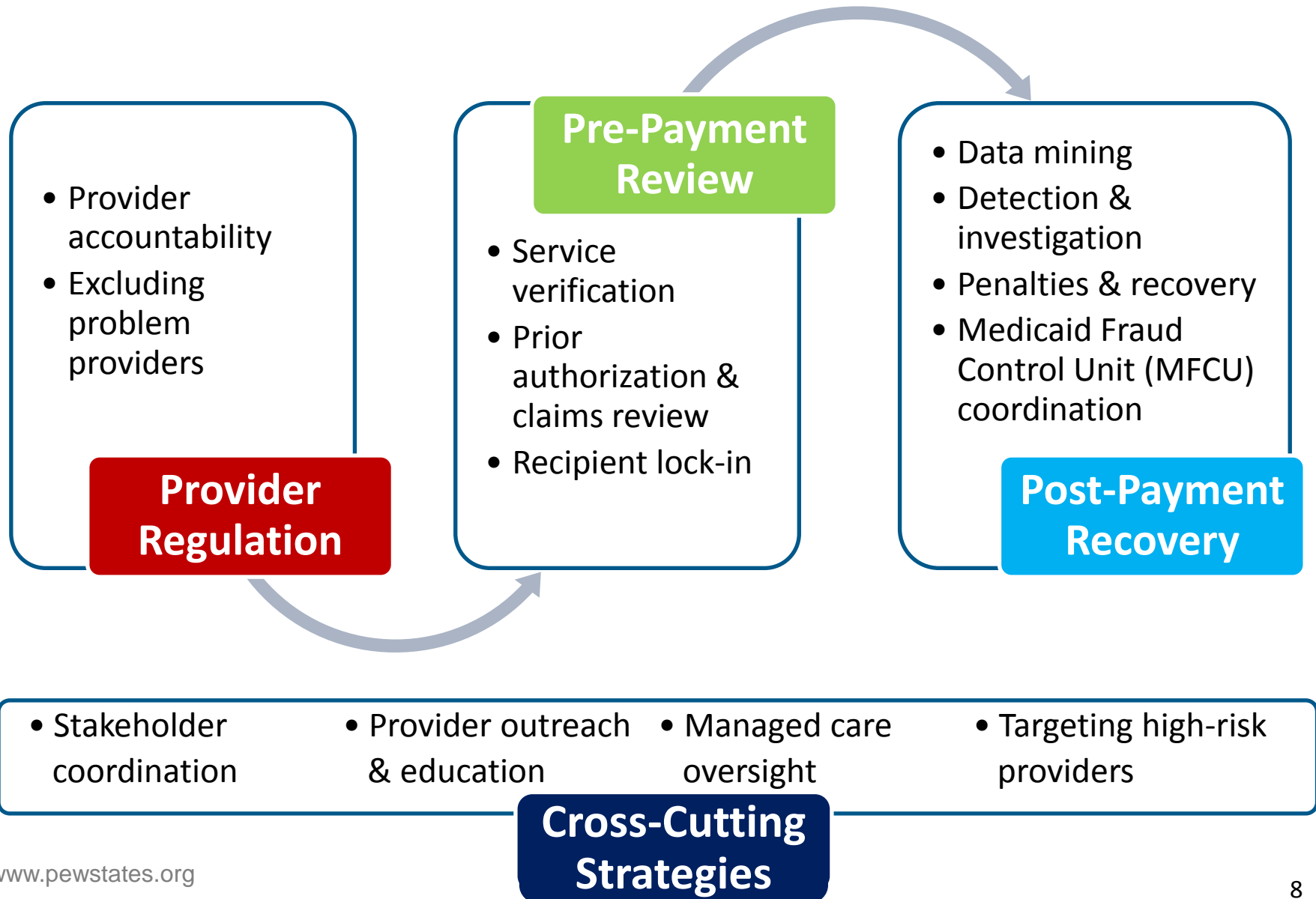
Medicaid Agencies  
Medical Licensing Boards  
Office of State Auditors  
Government Accountability Offices  
Medicaid Inspector Generals  
Attorney Generals  
Medicaid Fraud Control Units (MFCUs)  
District Attorneys  
State Legislatures  
Health Care Providers  
Consumer & Taxpayer Advocates  
Managed Care Organizations

- State staff report:
  - Lack of coordination in programs and efforts
  - Need for more data sharing
  - Federal match for most anti-fraud and abuse efforts is 50% -- lower than many states' FMAP
  - Burdensome recovery process for overpayments
  - Burdensome oversight, reporting and measurement requirements

# Balancing act



# The Process: Finding and Fighting Fraud





## Combating Medicaid Fraud & Abuse

Select one or more states and practice types to see what states are doing to combat fraud and abuse. To select multiple states, hold down the Ctrl key (the Command key for Macs) while clicking selections.

State	Practice Type			
<ul style="list-style-type: none"><li>All States</li><li>Alabama</li><li>Alaska</li><li>Arizona</li><li>Arkansas</li><li>California</li><li>Colorado</li><li>Connecticut</li><li>Delaware</li><li>District of Columbia</li><li>Florida</li><li>Georgia</li><li>Hawaii</li><li>Idaho</li></ul>	<b>Provider Regulation</b> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Excluding Problem Providers</li><li><input checked="" type="checkbox"/> Provider Accountability</li></ul>	<b>Prepayment Review</b> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Prior Authorization and Claims Review</li><li><input checked="" type="checkbox"/> Service Verification</li><li><input checked="" type="checkbox"/> Recipient Lock-In</li></ul>	<b>Post Payment Recovery</b> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Data Mining</li><li><input checked="" type="checkbox"/> Detection and Investigation</li><li><input checked="" type="checkbox"/> Medicaid Fraud Control Unit Coordination</li><li><input checked="" type="checkbox"/> Penalties and Recovery</li></ul>	<b>Cross-Cutting</b> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Stakeholder Coordination</li><li><input checked="" type="checkbox"/> Provider Outreach and Education</li><li><input checked="" type="checkbox"/> Managed Care Oversight</li><li><input checked="" type="checkbox"/> Targeting High-Risk Providers</li></ul>

CMS Noteworthy Picks Only ★

Clear Selections

Search

### ALABAMA: 2009

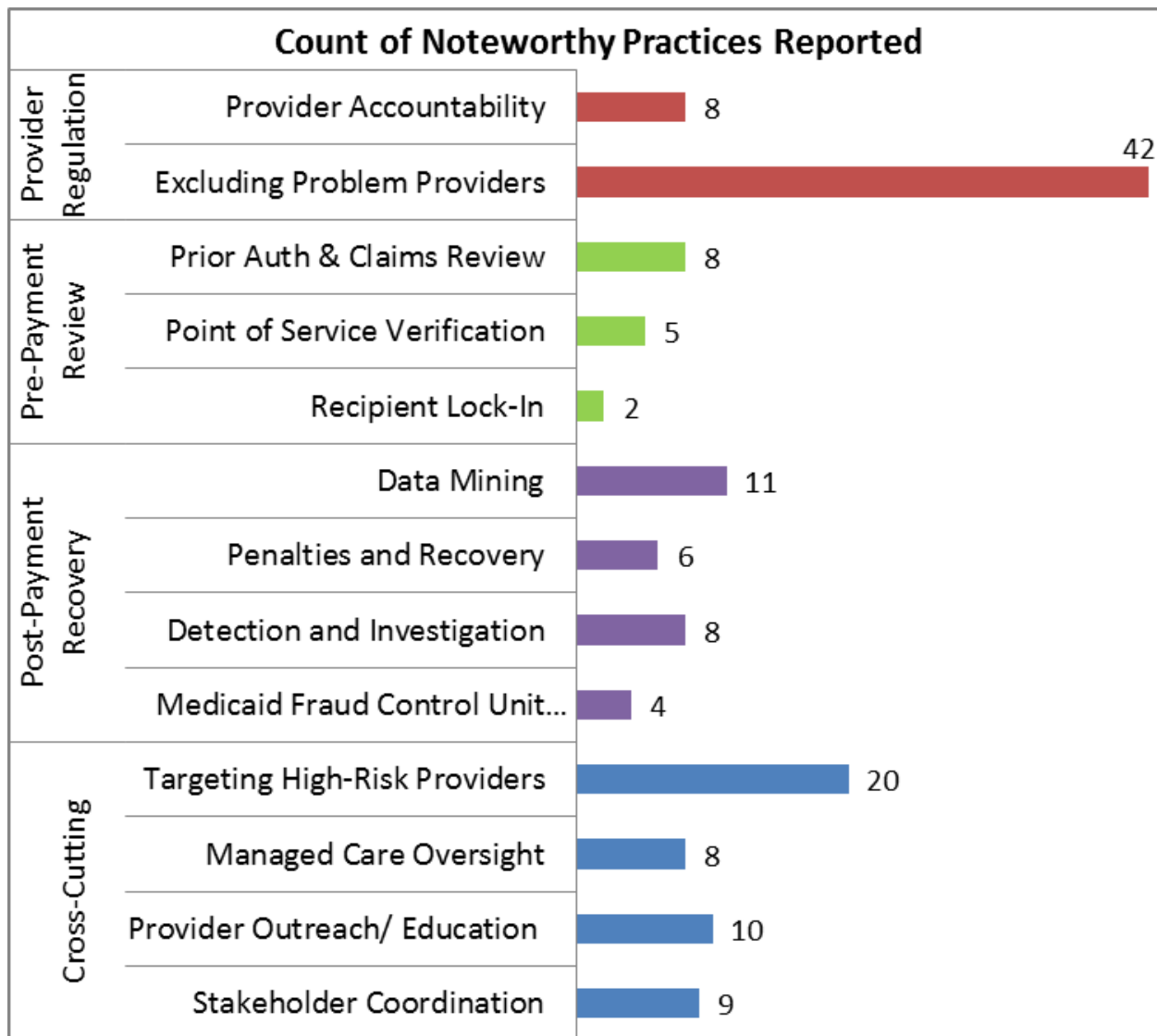
#### Provider Regulation: Excluding Problem Providers

##### Deactivation of the Medicaid provider number when the address is unknown

The Alabama Medicaid Agency deactivates a provider's Medicaid provider number when the address is unknown and an attempt to find the correct information has failed. The provider number stays deactivated until the information is resolved.

Check out the database:  
[www.pewstates.org/medicaid-fraud](http://www.pewstates.org/medicaid-fraud)

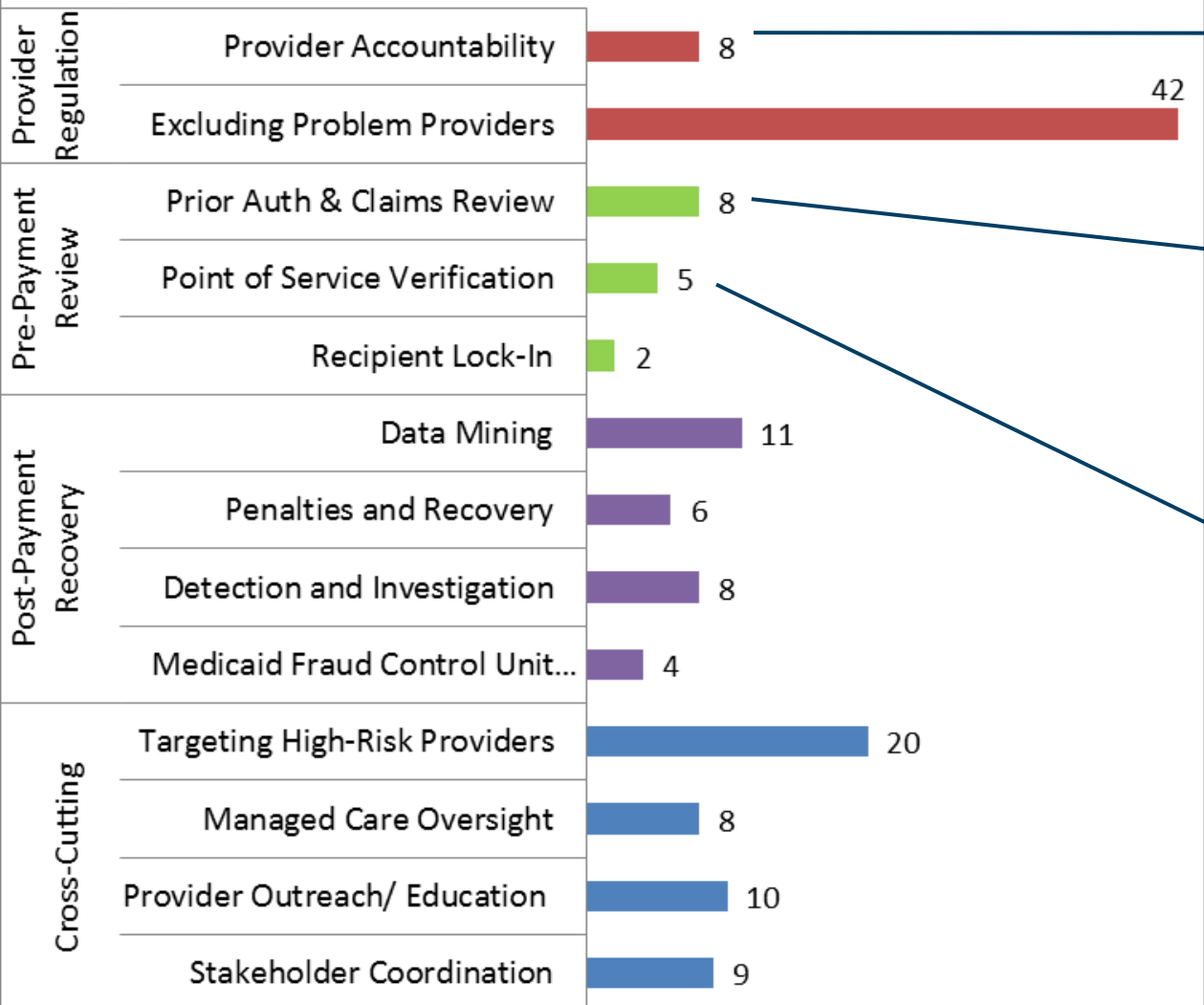
# How States are Improving Results



Source: Pew analysis of CMS Program Integrity Review Reports 2007 – 2012. Practices are submitted by states to CMS staff who determine which practices are “noteworthy”.

# How States are Improving Results

Count of Noteworthy Practices Reported



**ME:** Provider attestation on policies and rules

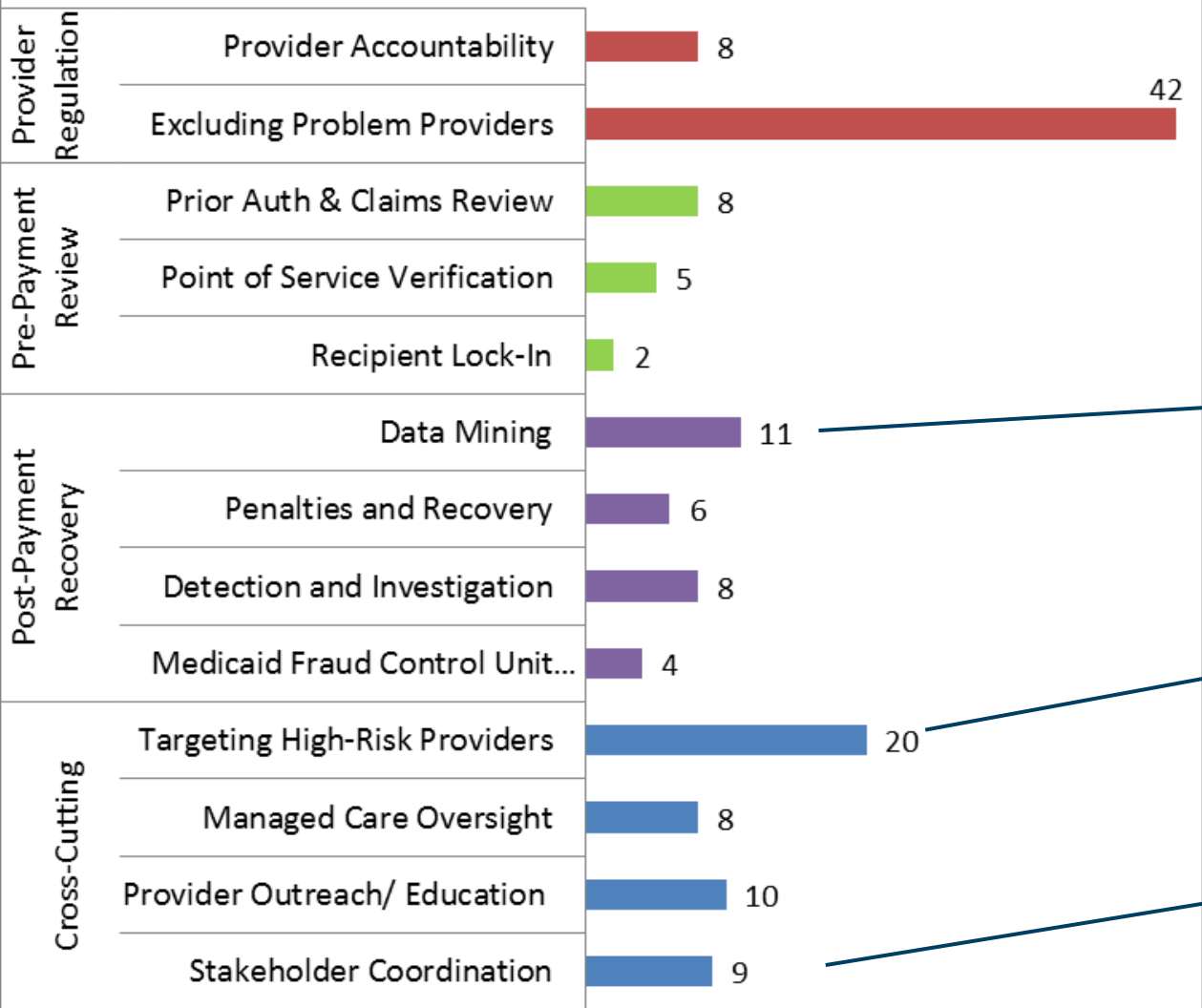
**VT:** Direct feed from health dept for date of death information

**NY:** CardSwipe and Post & Clear programs

Source: Pew analysis of CMS Program Integrity Review Reports 2007 – 2012. Practices are submitted by states to CMS staff who determine which practices are “noteworthy”.

# How States are Improving Results

Count of Noteworthy Practices Reported



**CO:** Critical events database to flag erratic billing

**CT:** Patient verification surveys for targeted providers – dental, prosthetics/orthotics

**LA:** Pelican Project – interagency review of mental health providers

Source: Pew analysis of CMS Program Integrity Review Reports 2007 – 2012. Practices are submitted by states to CMS staff who determine which practices are “noteworthy”.

**\$0.39 Billion:**

Total Program Integrity Expenditures in FFY 2009

**\$2.31 Billion:**

Total Recoveries in FFY 2009

Source: CMS State Program Integrity Assessment FY 2009 Executive Summary

## State Health Care Spending Project

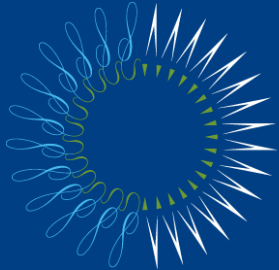
<http://www.pewstates.org/projects/state-health-care-spending-project-328140>

## Medicaid Anti-Fraud and Abuse Interactive Database

[www.pewstates.org/medicaid-fraud](http://www.pewstates.org/medicaid-fraud)

## Webinar featuring Pew's Program Integrity Research: March 6, 2013 at 2:00pm eastern

<http://www.ncsl.org/default.aspx?tabid=25784>



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