Joint Medicaid Oversight Committee

November 2014

John McCarthy

Ohio Medicaid Director

Ohio Department of Medicaid

John R. Kasich, Governor
John B. McCarthy, Director

Program Integrity

Program Integrity

- Ensuring effective Program Integrity is a collaborative, ongoing effort.
- Ohio Medicaid is only one part of a robust undertaking.

Program Integrity

The Program Integrity Group (PIG)

Partners:

- ***ODM's Surveillance and Utilization Review Section (SURS) and Network Compliance Unit;***
- ***Ohio Attorney General's Medicaid Fraud Control Unit;***
- ***Auditor of State's Medicaid Contract Audit Section;***
- ***Medicare Zone Program Integrity Contractor***

Sept. 2012: Named one of the nation's "Bright Ideas" by Harvard University's Ash Center for Democratic Governance and Innovation

Program Integrity

The Program Integrity Group (PIG)

- Collaborates to identify instances of fraud, waste, and abuse in Ohio's Medicaid program
- Convenes monthly to discuss intelligence, strategy, findings, and challenges
- Staff from respective entities are in constant communication
- Data sharing

Program Integrity

The Program Integrity Group (PIG)

MFCU: The AG's Medicaid Fraud Control Unit evaluates identified high-risk providers and pursues criminal and civil prosecution of any providers suspected of Medicaid fraud.

SURS: ODM's Surveillance and Utilization Review Section is responsible for identifying high-risk provider types and presenting to the group on their findings.

Network Compliance: ODM's Network Compliance Unit is involved with identifying potentially fraudulent providers and general PIG strategizing.

MCAS: The Medicaid Contract Audit Section, housed in the Auditor of State's Office, plays a similar role as SURS and is a further check on provider fraud, waste, and abuse.

Program Integrity

The Program Integrity Group (PIG)

- Successful elements of the PIG have been replicated to form the **"MCPIG" – Managed Care Program Integrity Group**.
- Medicaid managed care plans are engaged in the conversation to reduce instances of fraud, waste, and abuse.

Program Integrity

Medicaid Fraud Control Unit (MFCU) – Ohio Attorney General

Fiscal Year 2014 by the Numbers*:

- **557** allegations of Medicaid provider fraud; **375** allegations of abuse, neglect, or misappropriation in care facilities; **788** cases opened
- **145** total indictments and completion of **31** civil settlements during recertification
- Total value of criminal restitution orders and civil settlements: **$71,171,716.90**

**Ohio Medicaid Fraud Control Unit 2014 Annual Report*

Program Integrity

Medicaid Fraud Control Unit (MFCU) – Ohio Attorney General

National Rankings*:

- **#1** – Fraud Indictments or Charges
- **#1** – Fraud Criminal Convictions
- **#3** – Abuse and Neglect Investigations
- **#4** – Fraud Investigations
- **#7** – Abuse and Neglect Convictions
- **#9** – Abuse and Neglect Indictments or Charges
- **#10** – Civil Settlements and Judgments

**US HHS-OIG Medicaid Fraud Control Units FFY 2013 Annual Report – March 2014*

Program Integrity

Provider Types at High Risk for Fraud, Waste, and Abuse*

- Home Health Providers (aides, agencies, nurses)
- Transportation Providers
- Durable Medical Equipment (DME) Providers

**Medicare, Medicaid, and Children's Health Insurance Programs; Additional Screening Requirements, Application Fees, Temporary Enrollment Moratoria, Payment Suspensions and Compliance Plans for Providers and Suppliers; Final Rule." Federal Register, Vol. 76, No. 22 (February 2, 2011), 5895-5896*

Program Integrity

In 2013, Ohio Medicaid contracted with Public Consulting Group (PCG) to commence provider oversight activities.

Four Components of Contract:

- Investigations for ODM-administered waivers, as well as select incidents relating to *MyCare Ohio*
- Provider enrollment services for ODM-administered waivers
- Structural reviews (provider compliance)
- On-site provider visits

Program Integrity

PCG Provider Site Visits

- Site visits are unannounced
- Special focus on high-risk provider types for pre- and post-enrollment
- Findings are documented and shared with necessary state staff
- Certain findings can lead to further investigation, corrective action plans, denial of enrollment, or termination from the program

…..some early findings

Program Integrity

Site Visit Breakdown (through October 2014)

- Home Health – **137**
- DME Suppliers – **43**
- Portable X-Ray Service – **1**
- Wheelchair Van (transportation) – **252**

Total - 422

Program Integrity

Network Compliance Unit (NCU)

ODM's NCU has automated provider verification to numerous exclusion databases, including the Medicare Exclusion Database.

- NCU is also responsible for provider suspensions as well as many provider terminations.

State Fiscal Year 2014

- **62** suspensions due to credible allegations of fraud
  - Relatively quick, decisive way to take action against potentially fraudulent providers
- **99** terminations for cause

Program Integrity

A revamped, more stringent provider enrollment process has proven critical in weeding out potentially bad providers on the front end.

Medicaid Information Technology System (MITS)

- In 2011, Ohio replaced a 25 year old claims payment and enrollment system. The new system allows for a **tighter front door** in provider enrollment, essentially weeding out bad providers prior to enrollment.

- Screening prospective providers and operators at the front door by running against multiple federal and state exclusion databases

- Requiring disclosure of individual owners of a provider entity, their SSN and dates of birth—ODM can use information for screening purposes and to identify and maintain where there are links across multiple providers.

Program Integrity

- Requiring enrollment of Ordering, Referring and Prescribing (ORP) providers when they are not already enrolled as a Medicaid provider—vital in tracking fraud down to the originating order or prescription

- Five year time-limited provider agreements—revalidation process requires providers to be re-enrolled at least every five years and to be re-screened for eligibility

- Completing site visits as a prerequisite for enrollments for providers that have been identified as high-risk for Medicaid fraud

Program Integrity

Surveillance Utilization and Review Section (SURS) – ODM

Reviews Medicaid providers' paid claims to determine compliance with Ohio Medicaid law for the purpose of identifying instances of fraud, waste, and abuse. SURS works closely with law enforcement and other program integrity stakeholders.

Completed Cases and Overpayments Identified by Fiscal Year:

- SFY 2012 – **889** completed cases; **$4,086,965.42**
- SFY 2013 – **567** completed cases; **$8,794,410.70**
- SFY 2014 – **382** completed cases; **$5,320,584.29**

Program Integrity

SURS – Hospital Utilization Reviews

State contractor (Permedion) provides pre-certification of inpatient and outpatient elective procedures; retrospective medical necessity review of hospital services; and focused quality and utilization improvement studies.

Annual Savings Identified through Hospital Utilization Reviews:

- SFY 2011 – **$23,801,958**
- SFY 2012 – **$30,579,547**
- SFY 2013 – **$24,539,450**
- SFY 2014 – **$19,510,781 (*reporting still in process)**

Program Integrity

Bureau of Audit Performance (BAP)

BAP Monitors Medicaid activities at sister state agencies and reviews Medicaid Provider Incentive Program (MPIP) providers and the Medicaid School Program (MSP). BAP also audits cost reports filed with ODM.

Nursing Facility Completed Cases and Overpayments Identified by Fiscal Year:

- SFY 2012 – **1,533** completed cases; **$20,862,728.28**
- SFY 2013 – **851** completed cases; **$14,859,608.10**
- SFY 2014 – **518** completed cases; **$10,437,437.77**

Program Integrity

Additional Factors

Prior Authorization (PA)

- Ensures that services and supplies are appropriately utilized by providers and paid for by ODM. In FY 2013, ODM received PA requests for **212,360 items at a potential cost of $230.4 million**. Of the requested items, **163,561 were approved at a cost of $74.3 million dollars**. By way of the PA process, **ODM spent $156.1 million less** than if the process were not in place.

- For FY 2014, DME PA savings amounted to **$138.9 million**.

Bureau of Program Integrity

- Summer 2014 – ODM established the Bureau of Program Integrity within its organizational structure to better coordinate and enhance provider oversight efforts at the agency level.

Program Integrity

Additional Factors

RAPBACK

- New initiative to employ the Ohio Attorney General's Retained Applicant Fingerprint Database Information Exchange (RAPBACK) system in conducting timelier, more efficient background checks of direct care providers

ARCS

- Ohio's Automated Registry Check System (ARCS) is now live. The system is designed to improve effectiveness of the six required registry checks used in vetting home and community-based providers. It is available to HCBS providers to conduct pre- and post-hiring registry checks of direct care employees.

Statutory Barriers

Statutory Barriers

- Nursing Facility and ICF-IID Reimbursements
- Limited Ability to Quickly Sanction Providers
- Provisions Focused on Specific Provider Groups
- Establishing Behavioral Health Carve-out
- Non-contracting Hospital Provisions
- Prior Authorization Requirements for Certain Prescriptions
- Human Resources Constraints at the State-level

Questions?