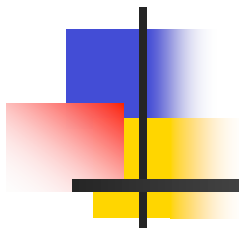


Medicaid Program Integrity

A View from the States



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Combating Medicaid Fraud and Abuse
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Outline of Presentation

- What is Medicaid program integrity?
- State program integrity programs
- Federal Medicaid Integrity Program
- Challenges/suggestions for the states and the federal government
- Summary



What is Medicaid Program Integrity?

- Comprehensive approach to managing the program to ensure that services are provided effectively, efficiently and appropriately
- Includes the activities of all participants and stakeholders in the program
- Includes activities to prevent fraud, waste and abuse
- It is a way of thinking about the program and how it should operate



Program Integrity Needs to be Comprehensive

- An effective program integrity program cannot focus solely on the back-end
- Rather, it should include:
 - Establishing clear and comprehensive program policies and procedures
 - Ensuring that only appropriate providers and beneficiaries are allowed to enroll in the program
 - Ensuring that services provided are necessary, appropriate and of high quality
 - Preventing inappropriate expenditures before they occur as much as possible
 - Identifying and collecting expenditures that were made inappropriately
- And it must be nimble



Program Integrity Needs to Involve All Stakeholders and Participants

- Beneficiaries
- Providers
- Contractors
- Program staff

Today's audioconference is focused on
provider program integrity



States build five major types of controls into their programs

- Program Standards
 - Statute, regulations; program guidance
- Enrollment
 - Background checks; on-site inspections; credential verifications
- Utilization
 - Threshold limitations; clinical reviews of high-utilizers
- Pre-payment
 - Prior approvals; claims edits; prospective drug utilization review
- Post-payment
 - Audits; investigations (financial and clinical); EOMBs; data-mining



Challenges for States

- Broadening the understanding of what program integrity is
 - Educating stakeholders that program integrity requires more than auditors and/or prosecutors
- Incorporating the concept of program integrity throughout the program and outside of it
 - For example, working with certification and survey agencies to bring issues to each other's attention



Challenges for States (con't)

- Obtaining sufficient funding to support needed activities
 - Recognizing that reducing administrative spending can be counterproductive to appropriate program management
- Finding the necessary balance between rule-making, reviewing, monitoring, enforcement and the provision of service



Where does the Federal Medicaid Integrity Program (MIP) fit?

- Historically, the federal government provides broad policy guidance and oversees State activities
- MIP requires the federal government to:
 - Review the actions of those providing Medicaid services
 - Provide support and assistance to the states to combat fraud, waste and abuse
- MI Plan calls for CMS (and/or its consultants) to:
 - conduct reviews, audits and education of providers;
 - conduct state program integrity oversight reviews and provide states with technical assistance and training
 - provide data support and identify fraud trends



Challenges for the states and the federal government

- Managing a program which has more than 50 sets of standards
 - Each state, territory and the District of Columbia runs its own programs, with its own set of eligibility rules, programs and program standards
- Ensuring that federal reviews do not compromise state reviews, and vice versa



Challenges for the states and the federal government (con't)

- Managing a program that recognizes that there must be a balance between rules, monitoring and reviews and access to needed services
- Identifying the best ways for the federal program to supplement those of the states, who have primary responsibility for program integrity



Fraud, Waste and Abuse is a Major Component of New York's 5-year F-SHRP Restructuring Program

- State needs to grow recoveries to at least 1.5% of Medicaid expenditures over 5 years
- First step – submit plan for staffing and program proposals by 10/31/06
- Annual benchmarks
 - 9/30/08: .5% of spending or \$215 million
 - 9/30/09: .75% of spending or \$322 million
 - 9/30/10: 1% of spending or \$429 million
 - 9/30/11: 1.5% or \$644 million
- State liable for difference or maximum of \$500 million



Some suggestions for promoting effective cooperation

- Make clear that the approach is to work together to ensure an effective, efficient and high quality program
- Identify “benchmark” standards for the components of an effective program integrity operation and assist all states to reach that level
 - Highlight “best practices”
- Use federal resources to supplement those of the states that may be particularly difficult to obtain on a state-specific basis



Some suggestions for promoting effective cooperation (con't)

- Coordinate activities between and among states so that resources can be used effectively
- Improve measurement of fraud, waste and abuse prevention and detection activities
 - both retrospectively and on a cost-avoidance basisso that state efforts can be quantified and compared



Summary

- Program integrity should be a common goal for all participants in the Medicaid program: beneficiaries, providers, the states and the federal government
- We all need to work together to structure a program that is fair, equitable and delivers the quality services that are expected