

# The Medicaid Integrity Program and Medicaid Integrity Contractors (MICs)

The Third National Medicare RAC  
Summit

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Sara Kay Wheeler, Partner, King & Spalding LLP

# Objectives

- **Understand the Medicaid Integrity Program**
- **Understand the role of Medicaid Integrity Contractors (MICs)**
- **Understand the MIC audit process**
  - **Desk Reviews**
  - **Field Audits**
- **Explore MIC appeal process, potential legal defenses and other potential issues**
- **Explore steps to be pursued by providers and counsel to prepare and respond to MIC audits**

# Medicaid Integrity Program

# Historical Context of Medicaid Integrity Initiative

- Deficit Reduction Act of 2005 - established Medicaid Integrity Program
  - Medicaid had been identified as large payment risk area
  - Resources to support Medicaid enforcement were uneven compared to those resources dedicated to Medicare enforcement
  - Medicaid enforcement approaches varied widely across states

# Medicaid Integrity Program: Goals

- Review the actions of individuals or entities furnishing items or services for fraud, waste or abuse
- Audit claims for payment for items or services furnished, or administrative services rendered
- Identify overpayments to individuals or entities receiving federal funds
- Educate and train other government entities on issues relevant to Medicaid integrity

# Role of Medicaid Integrity Contractors (MICs)

# Medicaid Integrity Contractors (MICs)

- **Categories of MICs**

- Review MICs ( Medicaid data analysis, application of data mining algorithms to Medicaid MSIS data, review of audit candidates, recommendation of candidates)
- Audit MICs (desk reviews and field audits, applied to audit candidates recommended by Review MIC and approved by CMS))
- Education MICs

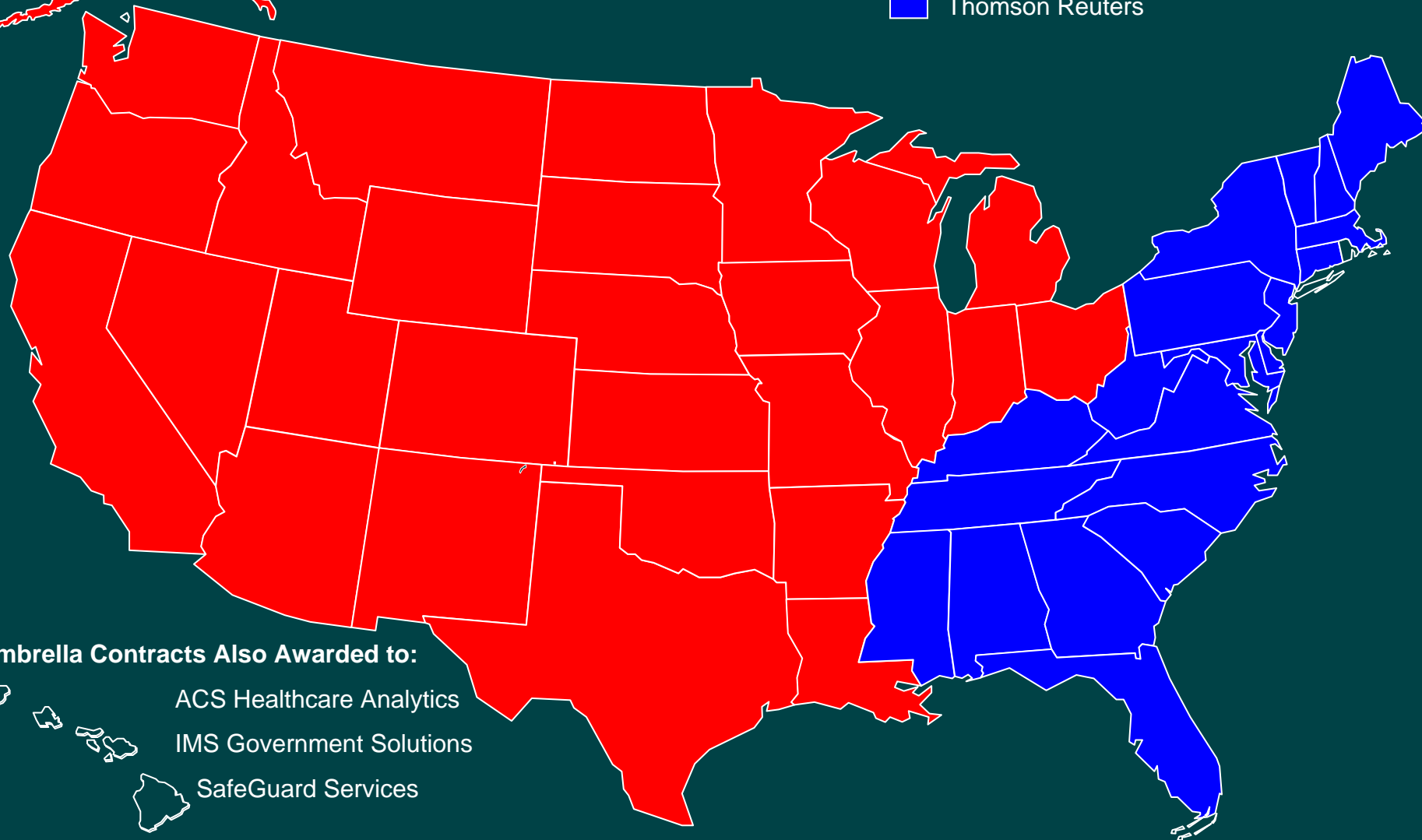
# Medicaid Integrity Contractor Assignments

- **Regional Organization**
  - Region 1 and 2: New York / Boston
  - Region 3 and 4: Atlanta / Philadelphia
  - Region 5 and 7: Chicago / Kansas City
  - Region 6 and 8: Dallas / Denver
  - Region 9 and 10: San Francisco / Seattle



# Review of Provider MIC Zones Awarded

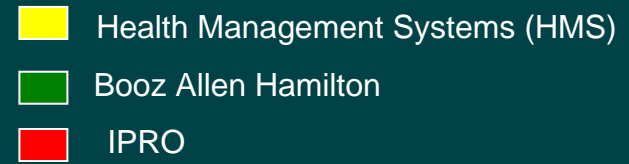
- AdvanceMed Corporation
- Thomson Reuters



## Umbrella Contracts Also Awarded to:

- ACS Healthcare Analytics
- IMS Government Solutions
- SafeGuard Services

## Audit MIC Zones Awarded



## Umbrella Contracts Also Awarded to:

## Fox & Associates

## Health Integrity

# Education MICs

- Umbrella contracts initially awarded to:
  - Information Experts
  - Strategic Health Solutions
- Task Order awarded to Strategic Health Solutions (August 2009)
  - Conduct gap analysis of existing education and training effort
  - Develop fraud, waste and abuse training programs
  - Develop educational curriculum via web-based and traditional methods
  - Educate Medicaid providers about Medicaid program integrity and quality of care

# What is the MIG?

- CMS created the MIG (Medicaid Integrity Group) in July of 2006 to implement the MIP and the MIG is organized as follows:
  - Office of the Group Director
    - Primary point of contact on Medicaid fraud and abuse issues within CMS and with other partners, including law enforcement
  - Division of Medicaid Integrity Contracting (DMIC)
  - Division of Field Operations (DFO)
  - Division of Fraud Research & Detection (DFRD)

# MIG (cont'd)

- Division of Fraud Research & Detection
  - Provides research, statistical and data support to MIP and to states
  - Director: Jim Gorman
- Division of Field Operations
  - Largest MIG division and works closely with Audit MICs
  - Director: Robb Miller
  - As of July 2009:
    - 44% of audits focused on hospitals
    - 29% of audits focused on long term care facilities
    - 21% of audits focused pharmacies

\* Source: July 15, 2009 CMS Open Door Forum

# MIC Developments

- Provider outreach has been deficient
- MIG has pledged to do better:
  - Hosting of Open Door Forum Conference Calls
  - Publishing of documents to assist providers
    - FAQs on Medicaid Integrity Program
    - Procurement timelines
    - Audit A-Z
      - Look for documents:  
[www.cms.hhs.gov/MedicaidIntegrityProgram](http://www.cms.hhs.gov/MedicaidIntegrityProgram)
  - Addressing provider questions submitted through Medicaid Integrity Program mailbox:  
[medicaid\\_integrity\\_program@cms.hhs.gov](mailto:medicaid_integrity_program@cms.hhs.gov)

# MIC Audits

# MIC Audits

- Unique
- Governed by Government Auditing Standards (Yellow Book)
  - Desk audits
  - Field audits
  - Opportunity to inquire about compliance and governance issues
    - Explore “In-take Questionnaires”
- Process is influenced by state law



# Influence of State Law

- Record retention requirements
- Look back period
- Limitations on records requested
- Production expectations
- Reimbursement for records
- Authority to extrapolate
- Unique reimbursement expectations
- Appeal procedures

# RACs and MICs Compared

- RACs

- Provider outreach mandatory
- Review period – set
- Time to produce records – 45 days (possible extensions)
- Number of records – limited
- Appeal process – consistent across regions
- Formal process for consolidating contacts

- MICs

- Provider outreach not mandatory
- Review period – not set
- Time to produce records – shorter (possible extensions)
- Number of records – no limit
- Appeal process – mirrors state Medicaid appeal process
- No formal process for consolidating contacts

# MIC Appeal Process

# MIC Process

- Audit MIC contacts provider
- Provider produces records
- Audit MIC analyzes info
- Audit MIC generates draft audit report and submits to CMS MIG
- CMS MIG reviews and sends to state Medicaid agency
- State may make comment
- Audit MIC sends draft report to provider
- Provider has **30 days** to review and provide comments
- Additional review by CMS MIG
- CMS MIG issues final audit report to state Medicaid agency for "execution"
  - CMS MIG can also refer to law enforcement at this time
- State issues demand to provider regarding alleged overpayment which triggers state-specific appeal procedures

# MIC Audits and Appeal: Preparation Strategies

# Reality

- **Issue:**
  - Increased number of government contractors actively trying to identify Medicare and Medicaid improper payments
- **Solution:**
  - Organizations need effective processes to prepare for audits and manage interaction with MICs, CMS MIG, and state Medicaid agencies

# Core Areas

- Core areas critical to ability to successfully manage this complex process
  - Government contractor landscape (players, current developments, etc.)
  - Managing audit process from the front end-responding effectively to audit inquiries
  - Managing claims data
  - Strategies for analyzing internal and external audit findings at the exit conference, and draft audit stage
  - Administrative appeal processes
  - Likely federal and state litigation strategies
  - Compliance oriented processes to help organize effort
  - Fraud and abuse analyses

# Preparedness

- **Infrastructure**

- Contractor committee(s)
- Information management
  - Records collection
  - Control
  - Production
  - HIPAA
- Document and records hosting
- Chain of responsibility
- Management of overlapping deadlines

- **Other Activities**

- Governance considerations
- Pre-audit testing
- Data mining
- Contractor intelligence
  - CMS website
  - Individual contractor websites



# Comprehensive Analysis and Related Strategies

- Critical to proactively assess interactions with government contractors
- OIG expects \$2.4 billion in recoveries for health programs in FY 2009
- FCA liability

# Thank You

## Questions & Answers

Sara Kay Wheeler  
King & Spalding LLP  
404.572.4685  
[skwheeler@kslaw.com](mailto:skwheeler@kslaw.com)