

North Carolina Medicaid Special Bulletin



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Attention: All Providers

**Program Integrity Unit - What You Need to
Know**

Introduction

In 2009, Secretary Lanier Cansler launched N.C. DHHS to a new day and required all DHHS employees to work towards making DHHS the best managed agency in state government by becoming more customer focused, anticipatory, collaborative, transparent, and results-oriented. With this initiative in mind, the Program Integrity Section of DMA is broadening the lines of communication with stakeholders on efforts to ensure compliance, efficiency and accountability and prevent improper payments of Medicaid dollars. Below is an overview of Program Integrity efforts in North Carolina.

NC Medicaid Fast Facts

- \$1 out of every \$6 of the budget is spent on Medicaid (15%)
- Has a \$9-10 billion budget hence one of the largest health care companies in the state
- Serves 1.5 million people annually (15.5% of total state population) and it is projected to increase 500, 000 to 700,000 people by 2014
- Medicaid Fraud/Abuse and Misuse is a nationally recognized problem that drains taxpayers' dollars, hurts recipients and takes valuable resources right out of the system
- DMA and Program Integrity must be accountable for meeting benchmarks and achieving goals

What is the Program Integrity Section's Mission?

- Ensure compliance, efficiency and accountability with the North Carolina Medicaid Program by detecting and preventing fraud, waste and program abuse.
- Prevent improper payments of Medicaid dollars through cost avoidance activities, tort recoveries, recoupments and ongoing educations/training of providers and recipients.

What are the Initiatives and Strategies of Program Integrity?

- Provide guidance to ensure the operation of the most cost-efficient health care system possible while further enhancing the quality and appropriateness of services delivered.
- Require and support efforts where health care providers are able to identify and resolve issues themselves.
- Hold provider agencies accountable for failing to have systems in place to prevent improper billing.
- Maximize technology and statistical analysis to detect providers or recipients who are outliers or illustrate aberrant patterns of utilization.
- Elevate support and use of administrative tools of payment suspension, prepayment, and post-payment review, audits, sanctions, and individual and entity exclusion when improper payments are discovered.
- Develop and communicate to the public measures of effectiveness of Program Integrity activities, which capture cost reduction and avoidance, as well as recoveries, recoupments and minimize cost imposed by reviews and investigation.
- Evaluate program activities and identify areas of vulnerabilities that adversely affect system and agency accountability and modify policies and rules accordingly.

What are Program Integrity's Objectives?

- Customer service
- Bridge policy with execution & education
- Track down & eliminate Medicaid fraud, waste and abuse

What are Program Integrity's Processes for Recoupment?

- Detection- Identify suspicious activity
- Assignment- vette, prioritize and assign
- Investigation- open case, finalize and send tentative notice of overpayment
- Accounts Receivable & payment- collect and pay federal share

What does Program Integrity Workload Consist of?

- Call intake/complaint
- Claims review
- Case investigation & research
- Provider audits & edits
- Provider education

What are some of the Projected Benefits of Program Integrity's 2011-2012 Goals?

- Enhanced Provider Education
- Highly Scalable Service Delivery
- Shift to a more proactive/preventive model
- Improved guidance on reimbursement policies/provider enrollment requirements
- Improved return on investment on early detection and cost avoidance activities
- Improved detection and targeting
- Increased efficiencies
- Improved performance standards
- Reduced case time (open to close)
- Enhanced quality and audit ability
- Enhanced access to modernized tools
- Improved stakeholder communications, collaboration and education

Program Integrity Partners in Combating Medicaid Fraud, Waste & Abuse

IBM-Fraud Abuse Management Systems (FAMS)

IBM provides the Program Integrity Unit with two solutions for detecting Fraud, Waste and Abuse of Medicaid services in the Provider community.

- **IBM Fraud & Abuse Management System (FAMS)**
IBM's fraud and abuse management system (FAMS) uses advanced analytics to detect healthcare fraud and abuse by healthcare providers. This is accomplished through the use of peer group modeling and behavioral analysis to identify possible Providers of interest.
- **IBM Infosphere Identity Insight**
IBM Infosphere Identity Insight is a real-time entity resolution and analysis platform for identifying fraud.

Its identity and relationship disambiguation technology helps Program Integrity and its partners recognize and mitigate the incidence of fraud, waste & abuse.

- Who is Who – Identity Resolution
- Who Knows Who – Relationship Resolution

Public Consulting Group (PCG)

PCG is the vendor contracted by DMA to support Program Integrity in the post-payment claims review initiatives; such as:

- Determining if services billed were clinically and administratively appropriate according to generally accepted standards of care, NC Medicaid coverage policies, guidelines and procedures.

Health Management System (HMS)

HMS is the vendor contracted by DMA to support Program Integrity in the Third Party Liability Recoveries, Cost Avoidance and Credit Balance Review initiatives.

Ingenix – Health Spotlight, OmniAlert and DRIVE

- Health SpotLight and OmniAlert combined makes up the NC Fraud and Abuse Detection System provided by Optum. Health SpotLight provides browse and search capabilities of paid and denied claims for the last 6 years as well as custom analytics to identify potential fraud and/or abuse by providers and recipients.
- OmniAlert is the NC SUR application and allows the user to rank providers or recipients based upon a variety of user defined rules.
Optum staff provides support to the DMA business users for each of these tools. In addition, Optum staff provides data mining support to DMA staff to identify providers billing units that are more than 5 times the standard deviation for services.

- DRIVE is the data warehouse maintained by Optum for DMA which contains the 6 years of paid and denied claims data upon which the Health Spotlight and OmniAlert analytics are based. Parameterized queries are provided for staff to enter dates, billing provider numbers, attending provider number, provider types and specialties, etc., to identify potential abuse, fraud, or waste.

The Carolinas Center for Medical Excellence (CCME)

CCME is the vendor contracted by DMA to support Program Integrity in the post payment Diagnosis Related Group (DRG) reviews of inpatient services to determine that appropriate DRG assignments have occurred and criteria for medical necessity of inpatient acute admissions have been met. CCME also partners with Program Integrity in performing pre-payment claims review.

Medicaid Fraud Control Unit: (Also known as Medicaid Investigation Unit – MIU)

- While Program Integrity identifies Medicaid fraud, the Attorney General's Medicaid Investigations Unit (MIU) takes the legal action to convict a provider of criminal fraud. The MIU coordinates their efforts with the IRS, State Bureau of Investigation, FBI, Drug Enforcement Agency, U.S. Attorney, Office of Inspector General and the Medicaid Fraud Control Units in other states to resolve fraud cases. As a general rule, once a case is taken by the MIU, Program Integrity staff involvement with the provider ceases.

Summary

Program Integrity believes that an analytically-driven approach plus effective, efficient processes with enhanced governance and reporting is the formula for achieving Medicaid quality assurance and compliance. The DHHS values of being customer focused, anticipating challenges, practicing transparency in decision making, collaborating on issues and holding ourselves accountable for outcomes are the foundation for our strategic approach. Program Integrity is committed to this plan and our stakeholders.