



Medicaid Innovation Accelerator Program (IAP)



**IAP Learning
Collaborative: Substance
Use Disorders (SUD)**

**Program Integrity for SUD
Programs**

**Targeted Learning
Opportunity #6**

8/17/15

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Facilitator

- **Cathy Fullerton, MD, MPH**
- Senior Research Leader,
Truven Health Analytics



Speakers (1 of 5)

- **Karen Johnson, CPA**
- Chief Deputy Director,
California Department of
Health Care Services



Speakers (2 of 5)

- **Tanya Homman**
- Chief, Provider Enrollment Division, California Department of Health Care Services



Speakers (3 of 5)

- **Rusty Dennison, MA, MBA**
- President and Founder, Parker Dennison & Associates

Parker Dennison
Behavioral Healthcare Consultants



Speakers (4 of 5)

- **Susan Parker, CPA, MT**
- Executive Vice President and Founder, Parker Dennison & Associates

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Behavioral Healthcare Consultants



Speakers (5 of 5)

- **Adam Falcone, JD, MPH**
- Partner, Feldesman Tucker
Leifer Fidell LLP



FELDESMAN + TUCKER + LEIFER + FIDELL

Agenda (1 of 12)

- Overview of program integrity
- State experience: California
- Health plan experience: Parker Dennison & Associates
- Provider experience: Feldesman Tucker Leifer Fidell

Goals of Webinar

- Participants will examine various aspects of program integrity with respect to substance use disorder treatment programs and providers
- Participants will discuss major challenges and successful strategies for preventing and investigating fraud, waste and abuse
- Participants will hear state, health plan and provider perspectives on program compliance

Overview of Program Integrity

- What does program integrity encompass?
 - Fraud
 - Waste
 - Abuse
 - Provider misunderstanding
 - Prevention measures
- SUD programs are at a greater risk than physical health programs
 - Confusion from multiple oversight agencies
 - Less familiarity with billing practices, more familiar with Block Grant funding and other sources
 - Conflicting compliance measures in state and health plan regulations can result in unintentional fraud

Key Terms in Program Integrity

- Upcoding
 - Billing for higher cost services or medical devices rather than the lower cost service/device that was actually rendered
- Unbundling
 - Billing for components of a service submitted piecemeal over time

Key Terms in Program Integrity (cont'd)

- Kickbacks
 - Monetary and non-monetary gifts offered, solicited and/or provided in exchange for referral of Medicare or Medicaid patients for medical services which may or may not be unnecessary
- Excessive/Unnecessary services
 - Providing and billing too many services that may also be inappropriate for the patient's care plan

Polling Question (1 of 5)

- Which of the following do you think poses the biggest program integrity risk for substance use disorder service programs in your state?
 - Upcoding
 - Unbundling
 - Provision of excessive or unnecessary services
 - Unintentional billing mistakes by providers



California



**State Experience
Investigating and
Strengthening Program
Integrity**

**Karen Johnson, CPA, Chief
Deputy Director, DHCS**

**Tanya Homman, Chief, Provider
Enrollment Division, DHCS**



Agenda (2 of 12)

- Overview of Medi-Cal
- 2013 Investigation of Drug Medi-Cal providers
- Challenges for Program Integrity
- Lessons Learned

Overview of Medi-Cal

- Total budget: \$98 billion
 - \$19 billion in state funds
- Average weekly check-write: \$382 million
- Average monthly capitation payments: \$3.3 billion
- 71% Managed care
- 29% Fee-For-Service
- Beneficiaries served
 - 12 million
- Providers enrolled
 - 135,000



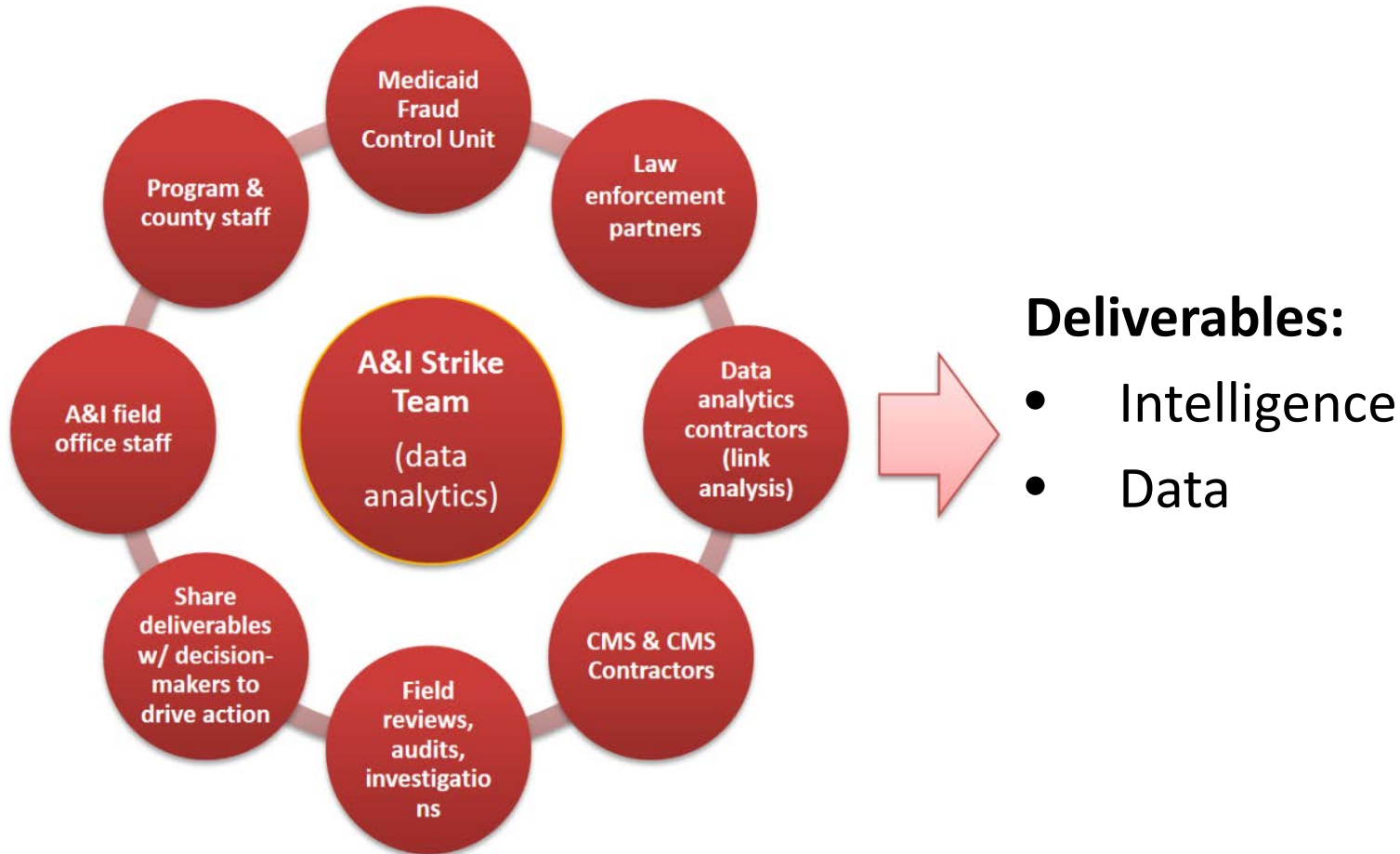
Agenda (3 of 12)

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2013 Investigation of Drug Medi-Cal Providers



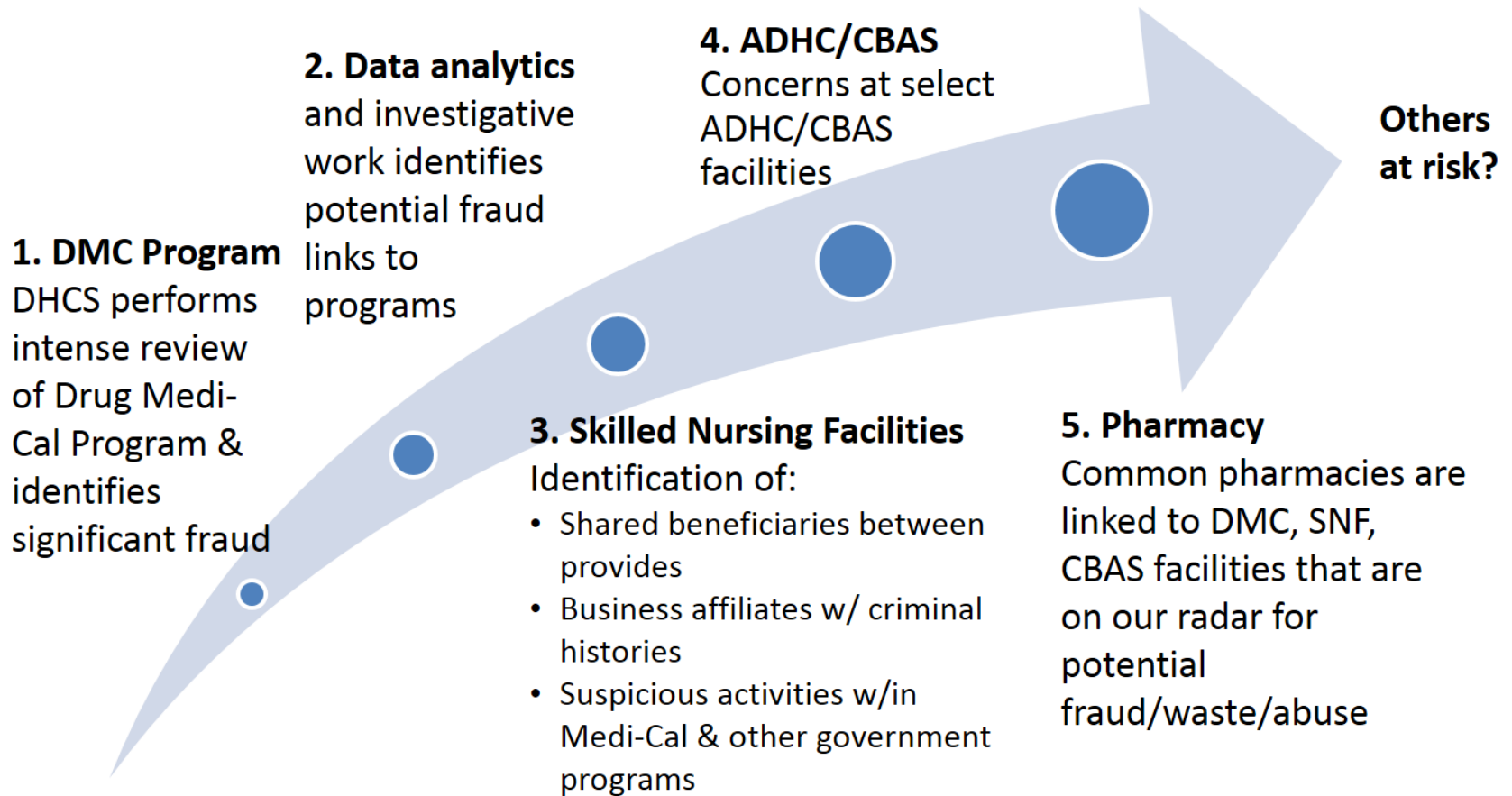
DHCS Strike Team



Analytics

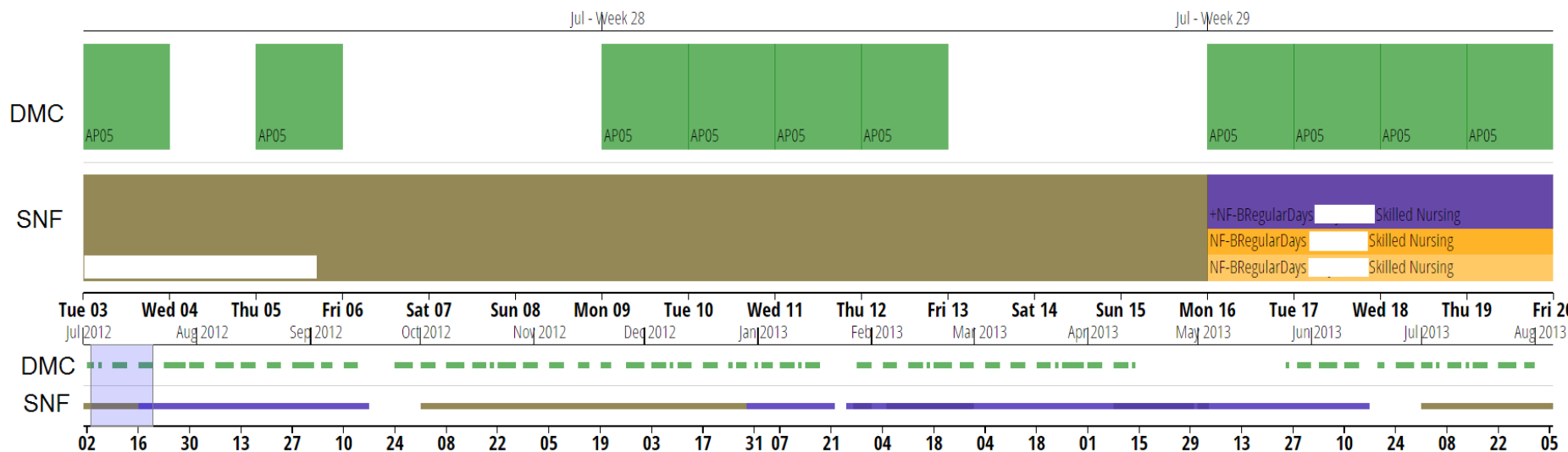
- Data Analytics
 - Tremendous resource and asset to DHCS strike team efforts
 - Accelerate audits and investigations' case development efforts
 - Allows a “deeper dive” into a program that is significantly increasing scope and dollar magnitude annually
- Network Analytics
 - Identify fraudulent patterns
 - Identify possible relationships and their interconnections
 - Identify the universe of the enterprise

Identifying Evidence of Fraud



Beneficiary Swim Lanes

- These swim lanes represent duplicate services being provided to one beneficiary on the same day
 - Chart review revealed that the beneficiary did not actually require drug treatment services



Criminal Investigation: Agency Collaboration

- May 2014: The US DOJ main office – Criminal Fraud Section and State DOJ accepts case and opens a criminal investigation
 - Contributors to the case include DHCS as lead agency along with the CMS zone program integrity contractors and State DOJ
 - The FBI and federal OIG have since joined the US DOJ to assist the case
 - CMS remains intimately involved in the care because of significant Medicare program implications



Actions Taken on Drug Medi-Cal Providers (as of 3/27/15)

- 547 sites visited
 - 100% of DMC providers
- 79 providers temporarily suspended
 - 93 Parents
 - 124 Satellites
 - 217 Sites in total
- 4 good cause exceptions
 - Sanctioned not imposed
- Approved billings for temporarily suspended sites
 - FY12/13 = \$57 million

Actions Taken on Drug Medi-Cal Providers (as of 3/27/15) (cont'd)

- Out of the all 96 fraud referrals sent to the Medicaid Fraud Control Unit
 - 56 are currently under active investigation
 - 17 resulted in criminal filings by the CA DOJ
 - 12 DMC referrals will be filed in the next 90 days
 - 5 were consolidated due to multiple referrals associated with same provider
 - 17 have been closed

Drug Medi-Cal Recertification Process

Recertification Activities and Phases					
PHASES	1	2	3	TOTAL	%
Sites Targeted	337	226	243	806	100.00
No Response	139	48	48	235	29.16
Applications Inventory					
Applications Received	198	178	195	571	100.00
Approved	102	73	34	209	36.60
Decertified, Terminated	41	14	62	117	20.49
Remediation, Assigned, Onsite, QC	55	91	99	245	42.91
TOTAL	198	178	195	571	100.00

Jul 2013: Notice of intent to recertify

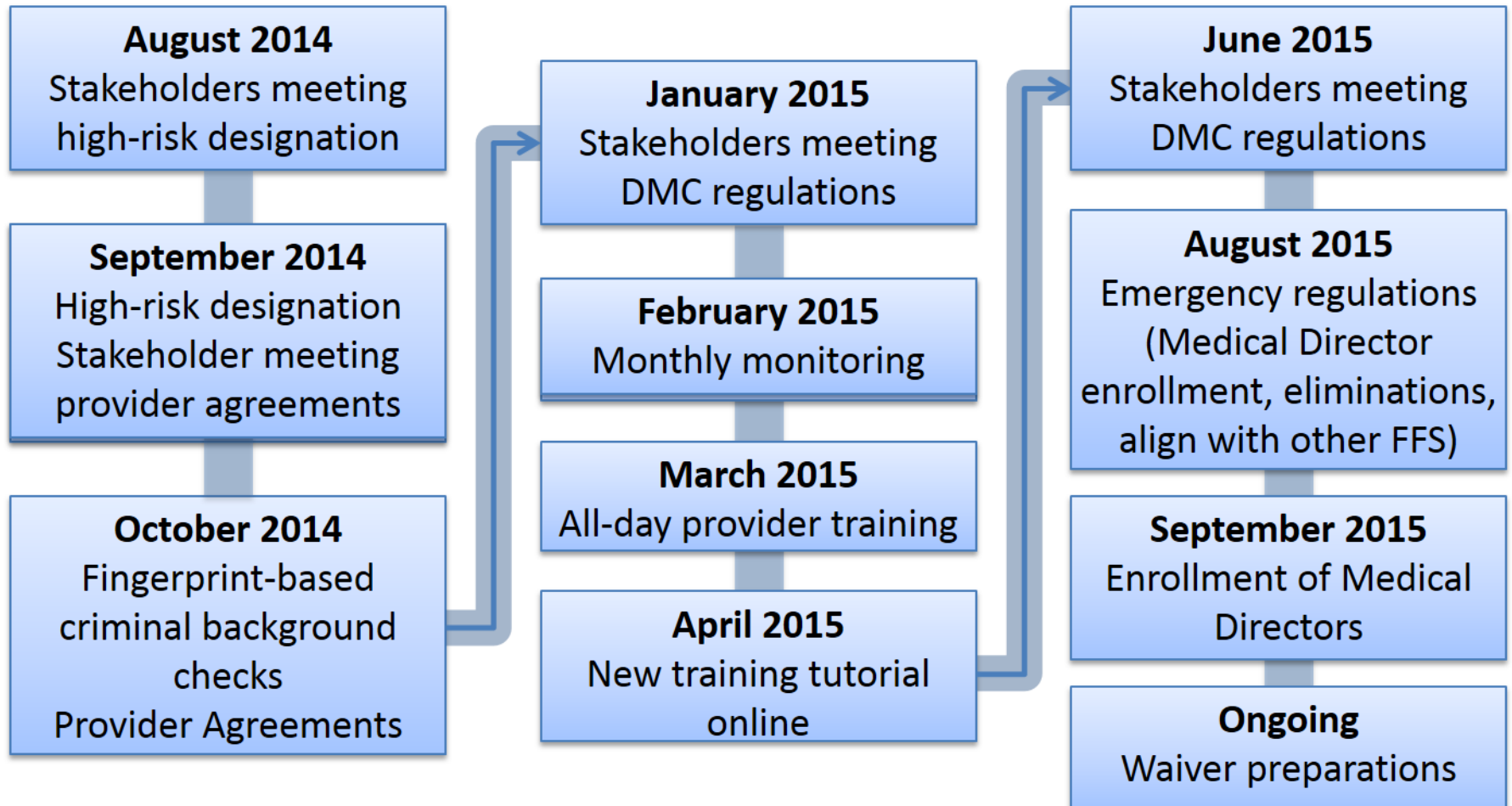
Aug-Dec 2013: Recertification forms to providers

Jan 2014: PED assumes DMC certifications

Feb 2014: Provider training, Remediation time extended, provider training online

Apr 2014: Backlog transitional to PED

Drug Medi-Cal Recertification Activities



Protecting & Recovering Public Health Care Dollars



Agenda (4 of 12)

- Overview of Medi-Cal
- 2013 Investigation of Drug Medi-Cal providers
- **Challenges for Program Integrity**
- Lessons Learned

Challenges for Program Integrity: Not Doing Enough

GAO	Testimony Before the Committee on Finance, U.S. Senate
For Release on Delivery Expected at 10:00 a.m. EDT Tuesday, June 28, 2005	MEDICAID States' Efforts to Maximize Federal Reimbursements Highlight Need for Improved Federal Oversight

Medicare paid \$5.1B for poor nursing home care

AP By GARANCE BURKE | Associated Press - Thu, Feb 28, 2013

SAN FRANCISCO (AP) — Medicare paid billions in taxpayer dollars to nursing homes nationwide that were not meeting basic requirements to look after their residents, government investigators have found.

Lack of oversight in billing matters questioned at DOA

By NICOLE CARTRETTE Staff Writer | Posted: Friday, March 22, 2013 3:00 pm

- Oftentimes Medicaid programs are scrutinized for not doing enough
- Focus on proactive program oversight and program integrity measures
- Up-front due diligence

Challenges for Program Integrity: Doing Too Much

NY Inspector General ousted for overaggressive Medicaid penalties

June 22, 2011 | By Karen Cheung-Larivee

New York Gov. Andrew Cuomo yesterday asked state Medicaid Inspector resign from office, reports *WAMC Northeast Public Radio*.

In Medicaid Fraud Investigations, a Controversial Tool

by Emily Ramshaw | July 20, 2012 | 8 Comments

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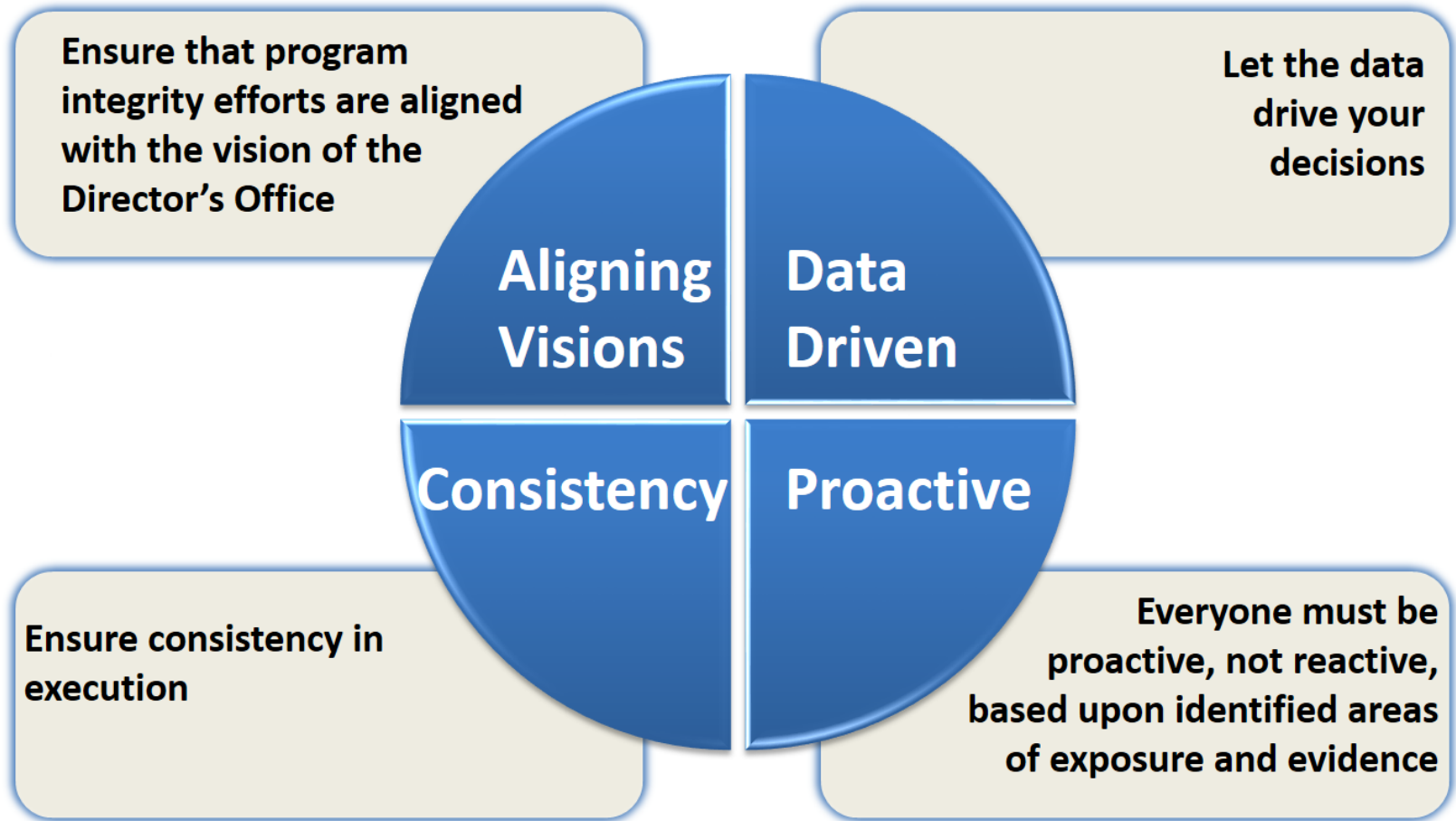
This article is the third of an occasional series on the consequences of state efforts to curb spiraling health costs, and the dollars lawmakers might target in the future.

- Overly aggressive program integrity measures can have negative consequences
- Provider communities in New York and Texas have been less than pleased with fraud-fighting tactics in past years

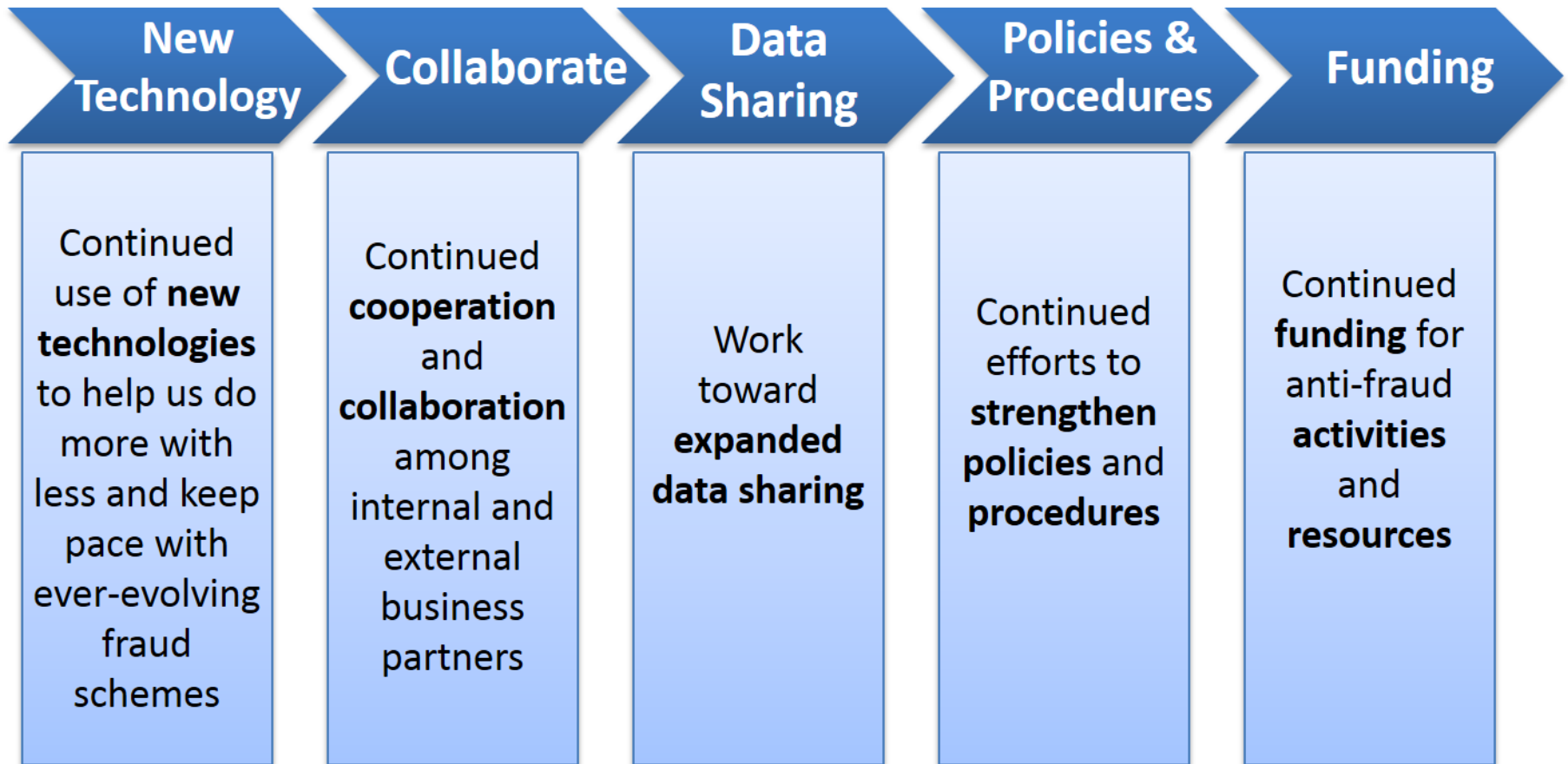
Agenda (5 of 12)

- Overview of Medi-Cal
- 2013 Investigation of Drug Medi-Cal providers
- Challenges for Program Integrity
- Lessons Learned

Lessons Learned: Finding the Right Balance



Lessons Learned: Keys to Future Success (1 of 2)



Lessons Learned:

Keys to Future Success (2 of 2)

- Ensure the Division remains a relevant and value-added organization to the DHCS and Medi-Cal program as a whole
- Continue adapting to the changing landscape by being flexible, versatile and responsible to programmatic needs



Polling Question (2 of 5)

- Which of the following strategies does your state currently engage in to ensure program integrity? (select all that apply)
 - **Proactive technology**
 - **Reactive data mining**
 - **Collaboration w/ other agencies**
 - **Clear, widely disseminated policies**
 - **Training, info sharing w/ providers**

Questions and Discussion (1 of 3)



Parker Dennison & Associates



Program Integrity from a Health Plan Perspective

Susan Parker, Executive Vice
President, Founder

Rusty Dennison, MA, MBA,
President, Founder

Parker Dennison & Associates

Agenda (6 of 12)

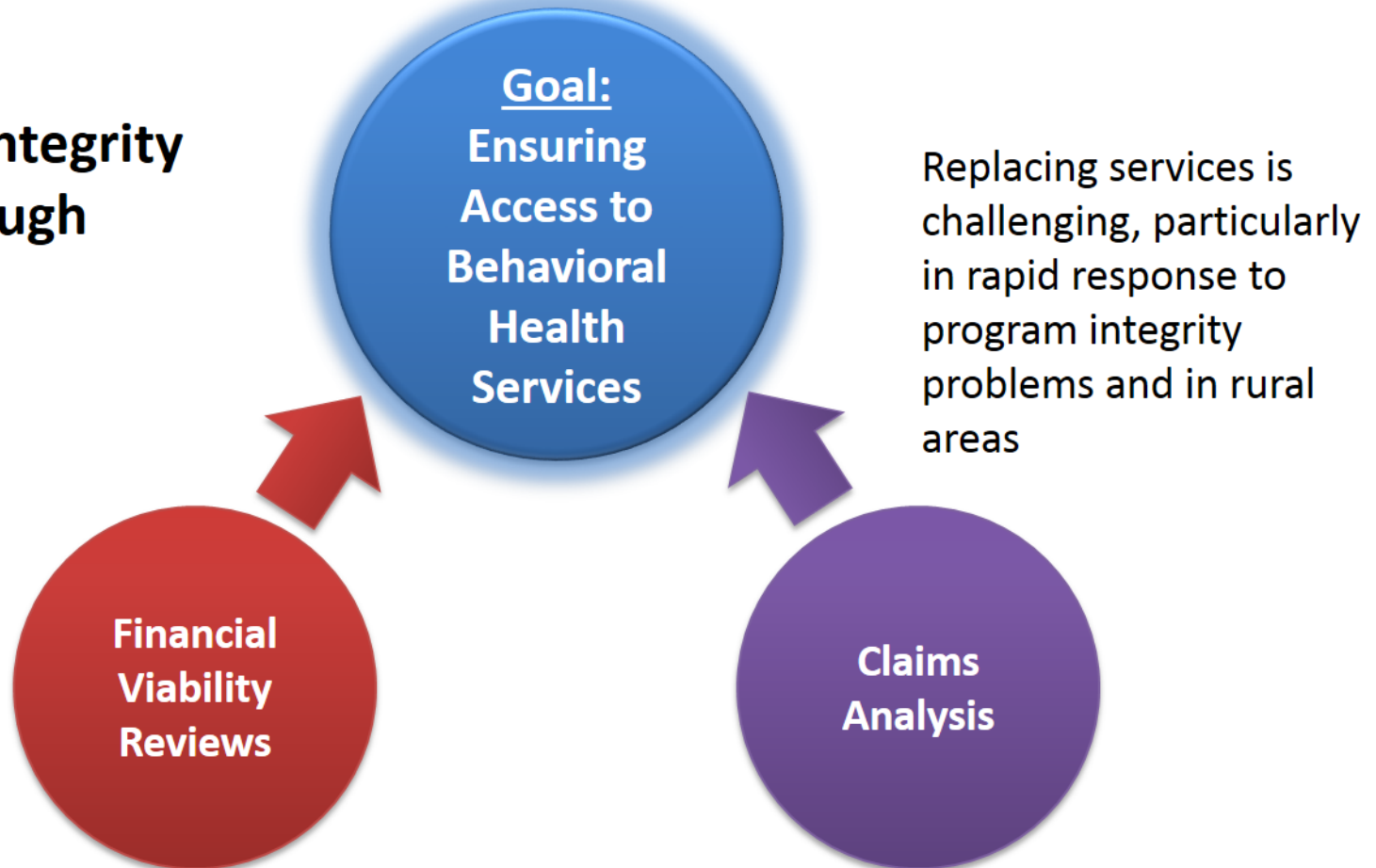
- Background of Program Integrity Efforts & New Mexico's Experience
- Monitoring Integrity: Financial Viability Reviews
- Monitoring Integrity: Claims Analysis
- Proactive Efforts: Provider Self-Assessments

Background on Program Integrity Efforts & New Mexico's Experience (1 of 2)

- New Mexico has experienced network disruptions and risk of access to mental health and SUD services
 - Program integrity
 - Financial viability
- Medicaid health plan developed a plan to proactively identify risks and intervene with TA and QI for behavioral health providers

Background on Program Integrity Efforts & New Mexico's Experience (2 of 2)

Reaching
program integrity
goals through
two foci:



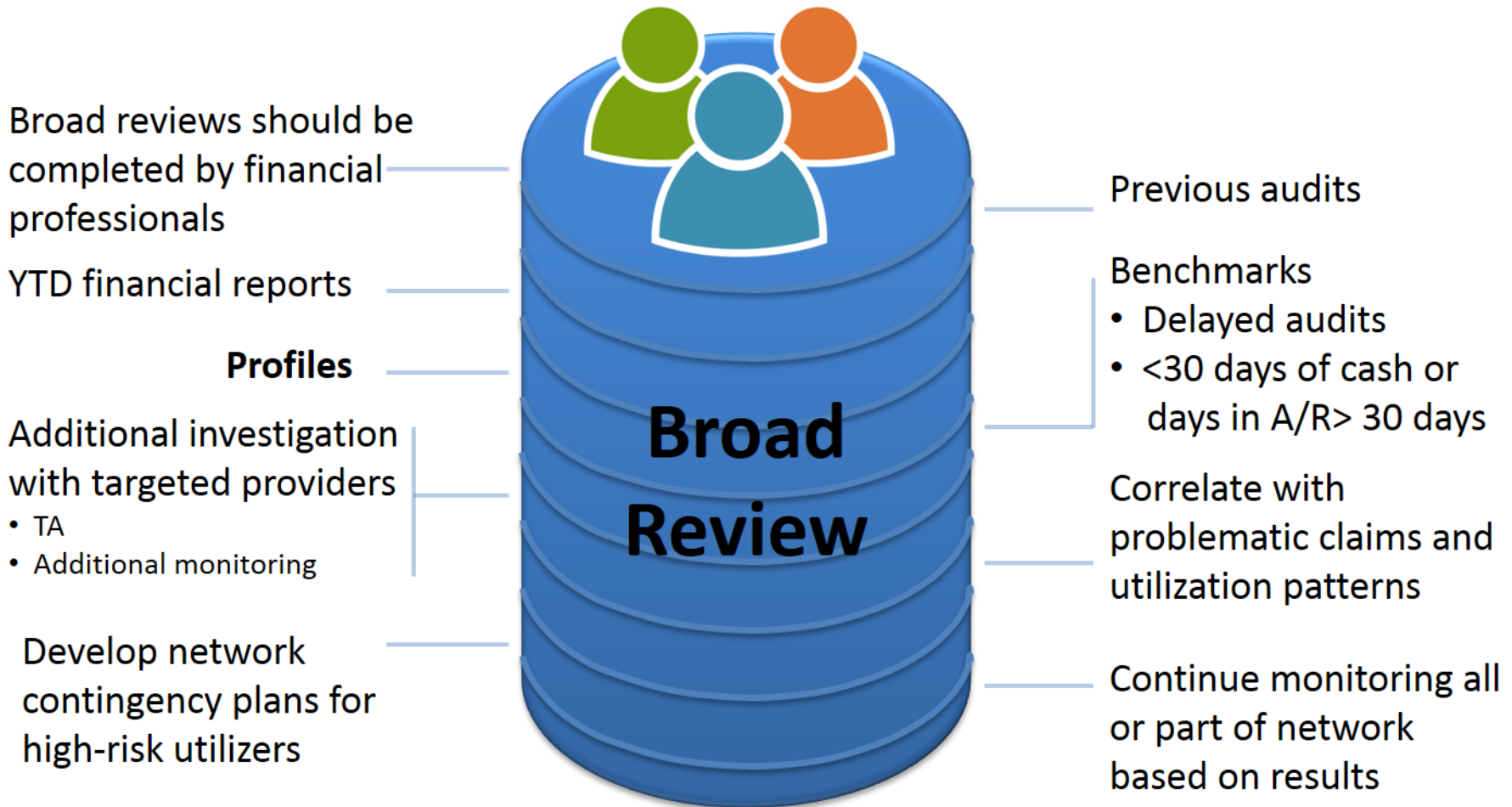
Agenda (7 of 12)

- Background of Program Integrity Efforts & New Mexico's Experience
- **Monitoring Integrity: Financial Viability Reviews**
- Monitoring Integrity: Claims Analysis
- Proactive Efforts: Provider Self-Assessments

Monitoring Integrity: Financial Viability Reviews (1 of 4)

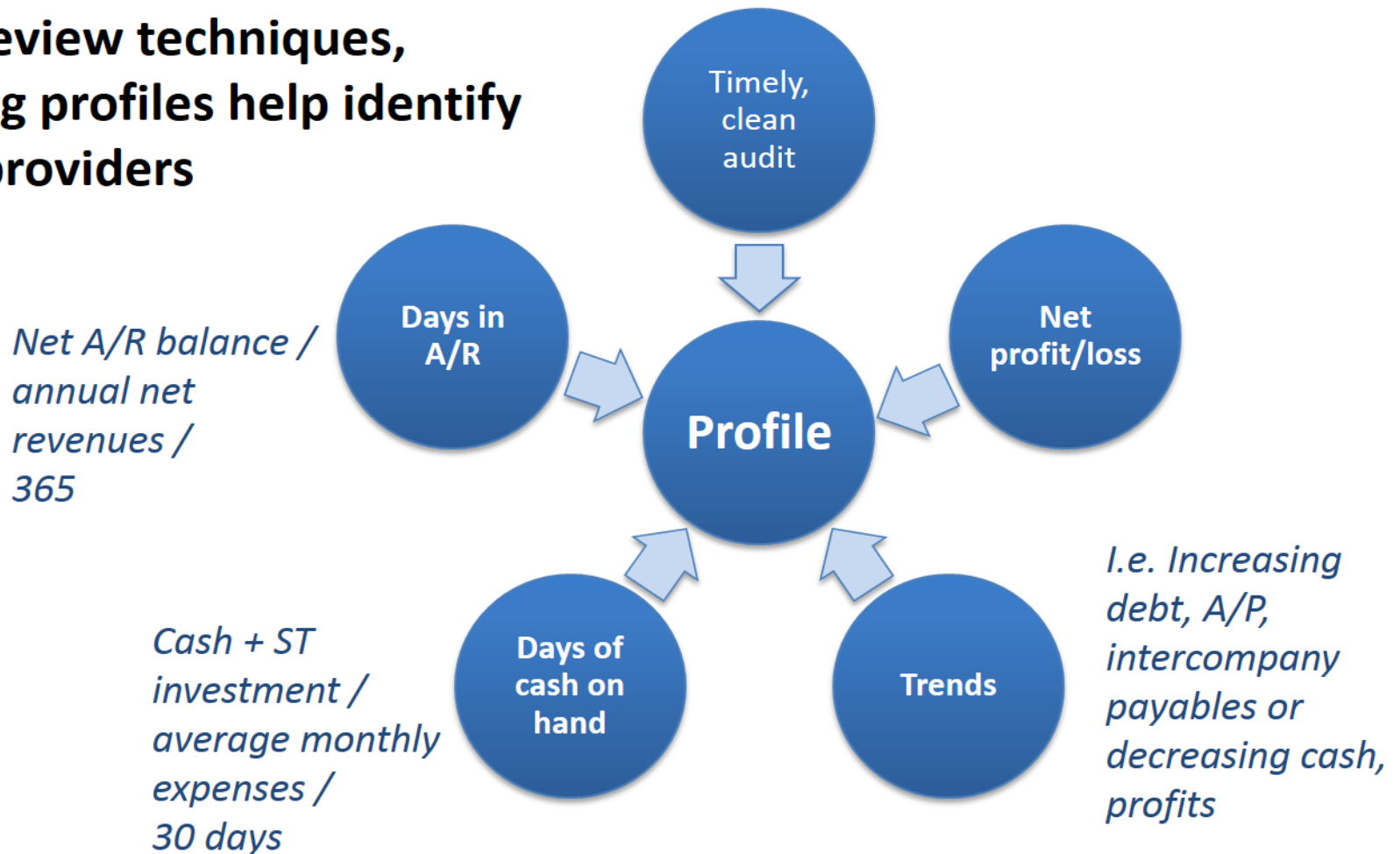
- Self-identified provider problems led to responses at two levels
 - Inability to make payroll
 - Unplanned, significant service reductions or contract termination notices
- In-depth onsite reviews
 - Indicators
 - Performance in total and by service
 - Productivity, staffing
 - Cost of services compared to rates
 - Payer mix, service mix
 - Billing timeliness
 - Collections, denials
- Offer TA with work plan and timeliness to improve performance

Monitoring Integrity: Financial Viability Reviews (2 of 4)

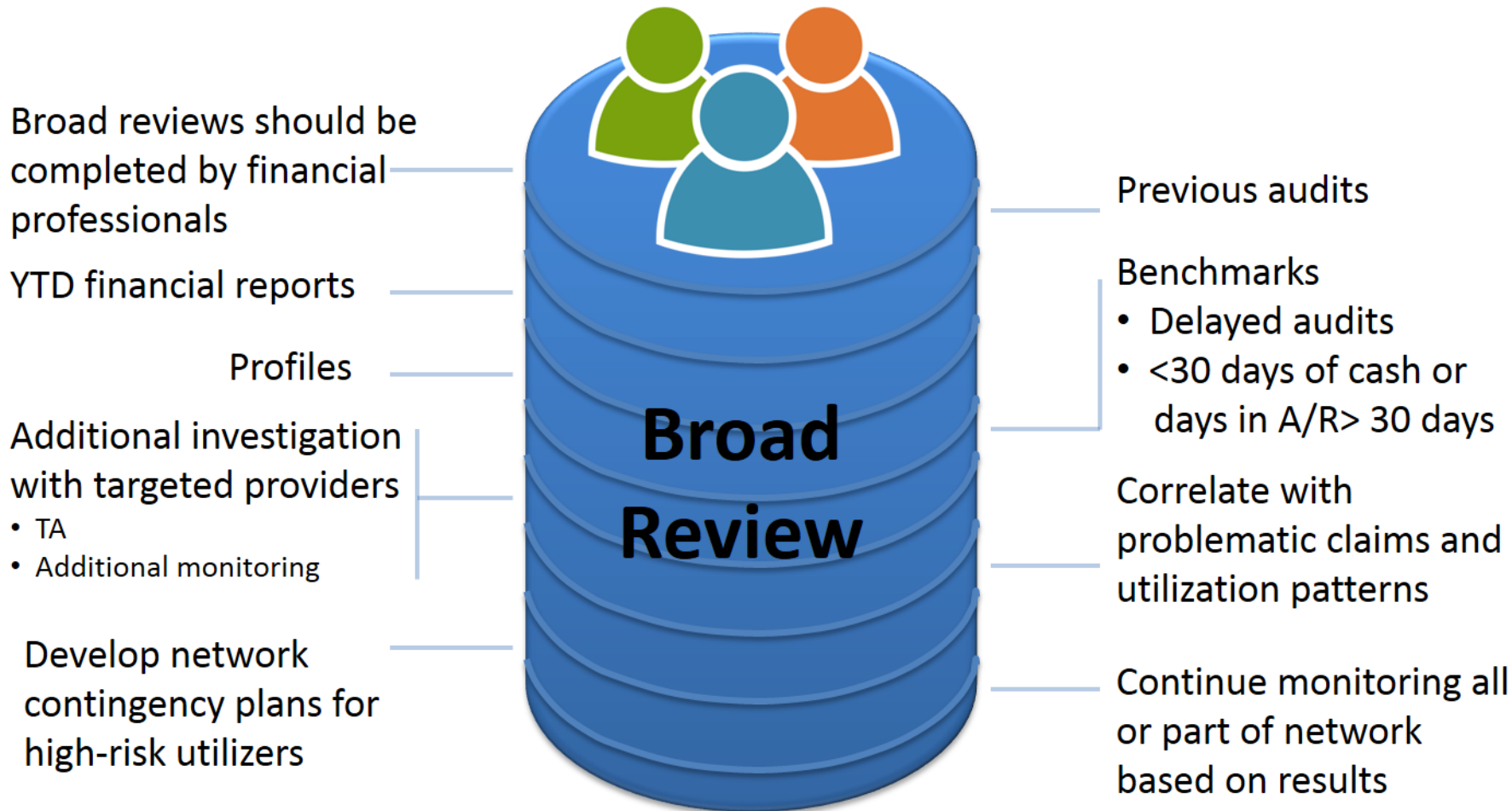


Monitoring Integrity: Financial Viability Reviews (3 of 4)

**Broad review techniques,
including profiles help identify
at-risk providers**



Monitoring Integrity: Financial Viability Reviews (4 of 4)



Agenda (8 of 12)

- Background of Program Integrity Efforts & New Mexico's Experience
- Tools for Integrity: Financial Viability Reviews
- **Tools for Integrity: Claims Analysis**
- Tools for Integrity: Provider Self-Assessments

Monitoring Integrity: Claims Analysis (1 of 3)

- Identification of higher risk services
 - Historical problems
 - Type of service or practitioner
 - Compliance complexity
 - Rate
 - Provider type
- Stratify by provider and service
- Identify outliers (top 5 – 10%)
 - Total units
 - Units per member
 - LOS
 - Mitigating information (i.e. populations served)

Monitoring Integrity: Claims Analysis (2 of 3)

- Site visit for program and chart review
- QI approach unless referral for program integrity review indicated
- Service fidelity tool
 - State Medicaid rule
 - Service definitions
 - Regulations
- Program review
 - Leadership
 - Clinical supervision
 - Basic compliance checks
 - Presence of current assessment, treatment plan, progress note

Monitoring Integrity: Claims Analysis (3 of 3)

- Chart audits (small sample)
 - Selection of high utilizers (not statistically valid)
 - Audit team composition
- Outcomes
 - Utilization found acceptable—training and technical assistance
 - Corrective action plan (CAP) required with training and technical assistance
 - Referral for program integrity review

Agenda (9 of 12)

- Background of Program Integrity Efforts & New Mexico's Experience
- Monitoring Integrity: Financial Viability Reviews
- Monitoring Integrity: Claims Analysis
- Proactive Efforts: Provider Self-Assessments

Proactive Efforts: Provider Self-Assessments

Prevent

- Efforts are designed to be proactive and preventative

Act

- Claims analysis by service and practitioner to identify problematic areas
- Use existing service fidelity tools or develop tools based on regulations and service definitions
- Complete chart audits as part of internal program integrity program

Plan

- Develop improvement plan
- Payback for any billing “errors” identified during the internal audit

Polling Question (3 of 5)

- Which of the following strategies does your state use to monitor program integrity in substance use disorder programs/providers? (select all that apply)
 - ID suspicious financial trends
 - Claims analysis- high risk services
 - Routine SUD program reviews
 - Site visits and chart reviews
 - Cont. monitoring risk providers
 - Other strategies

Questions and Discussion (2 of 3)



Feldesman Tucker Leifer Fidell LLP



Program Compliance from a SUD Provider Perspective

Adam Falcone, JD, MPH,
Partner, Feldesman Tucker Leifer
Fidell LLP

Agenda (10 of 12)

- The Provider Perspective
- Common Challenges for Compliance
- Strategies for States to Assist Providers

Program Integrity Concerns (1 of 2)

- SUD providers comprise a fragile safety net system, frequently composed of non-profit organizations whose business model does not allow for creation of a rainy day fund for hard times (*i.e.*, no deep pockets)

Program Integrity Concerns (2 of 2)

- Fearful of program integrity efforts that utilize statistical extrapolation to recover “overpayments” due to unintentional mistakes when services have been legitimately rendered to patients
 - Insufficient documentation
 - Human errors
 - Legal technicalities

Agenda (11 of 12)

- The Provider Perspective
- Common Challenges for Compliance
- Strategies for States to Assist Providers

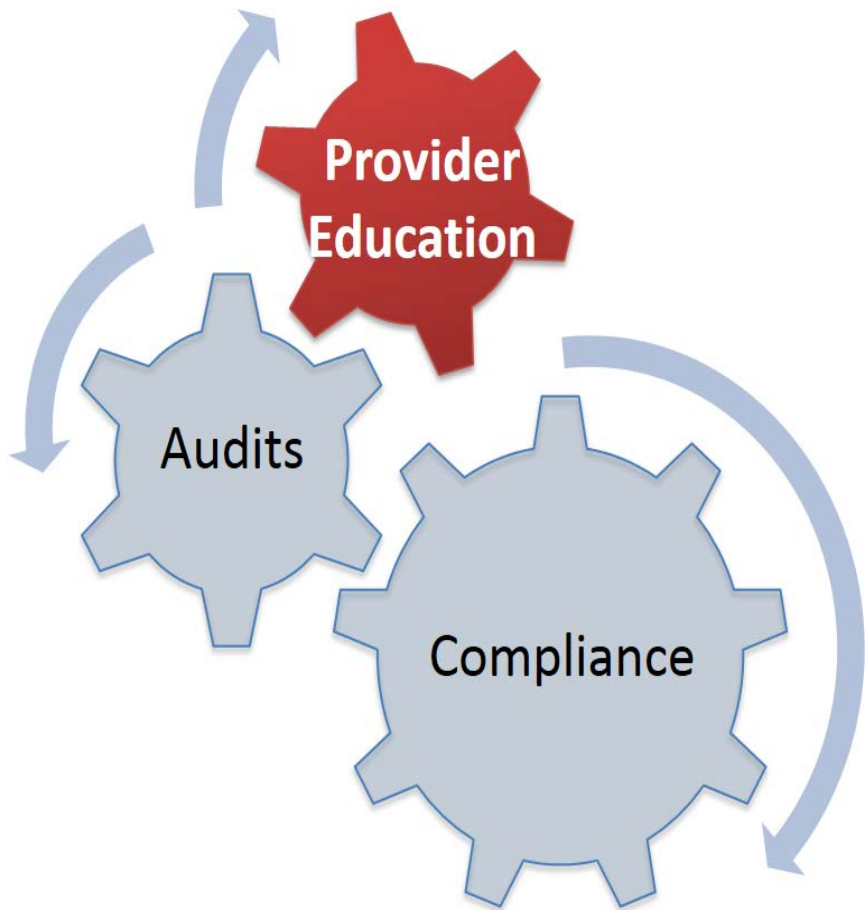
Common Challenges for Compliance

- Lack of organizational knowledge of applicable licensing, scope of practice laws, credentialing/enrollment, billing, documentation rules
 - Compounded when subject to different rules for multiple payers
- Fear of directly asking State/payers for guidance in applying or interpreting vague rules
 - Questionable reliability of advice in audit context
- Inadequate internal procedures in place to identify non-compliance within specific rules
 - Consequently, overreliance on external audits to identify issues

Agenda (12 of 12)

- The Provider Perspective
- Common Challenges for Compliance
- Strategies for States to Assist Providers

Strategies for States to Assist Providers (1 of 2)



- Offer annual trainings to provider staff
 - Based on key risk areas
- Establish a mechanism for providers to ask questions without repercussion
 - Ensure answers are binding on state
- Solicit provider recommendations to revise and clarify rules

Strategies for States to Assist Providers (2 of 2)



- Distribute self-audit tools
- Root cause analyses on audit findings to determine underlying issue:
 - Poor knowledge of rules
 - Inability to recognize non-compliance
 - Operational challenges
- Greater transparency and fairness in audit procedures

Polling Question (4 of 5)

- Using the ReadyTalk platform options, select the 'raise your hand' tool if your state is currently using an innovative, proactive method of assisting providers in their compliance efforts.

Questions and Discussion (3 of 3)



Polling Question (5 of 5)

- Would your state be interested in having a post-webinar discussion with the speakers to address any additional questions or reflections on today's webinar?
 - Yes
 - No

Resources (1 of 2)

- Common Types of Health Care Fraud, Centers for Medicare & Medicaid Services
 - [Common Types of Health Care Fraud](#)
- Medicaid Program Integrity Education, Centers for Medicare & Medicaid Services
 - [Medicaid Program Integrity Education](#)

Resources (2 of 2)

- Medicaid Program Integrity Program, Centers for Medicare & Medicaid Services
 - [Program Integrity](#)
- Medicaid Integrity Institute, United States Department of Justice
 - [Medicaid Integrity Institute \(MII\)](#)

Contact Information (1 of 2)

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