Georgia Department of Community Health

Medicaid Program Integrity

Presentation to: Southern Legislative Conference

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Georgia Department of Community Health

Mission

The Georgia Department of Community Health

We will provide access to affordable, quality health care to Georgians through effective planning, purchasing and oversight.

We are dedicated to A Healthy Georgia.

Georgia Department of Community Health

DCH OIG Medicaid PI Objectives

- Safety and Security of our Member
- Fiduciary Responsibility to the Tax Payer

In the beginning

- President Theodore Roosevelt
- Progressive Party
- Platform for 1912 presidential election

Creation

- President Lyndon B. Johnson
- Social Security Act, Title XIX
- Credited President Truman with the idea

Transformation

- The Health Care Financing Administration (HCFA) was established to administer the Medicare and Medicaid programs in 1977.

- In 1995 the Social Security Administration (SSA) split from HCFA. The resulting transformation of HCFA was the Center for Medicare/Medicaid Services (CMS).

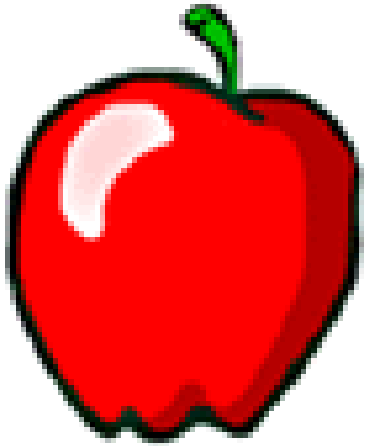
Medicaid vs. Medicare

- Medicaid - financial assistance program provided by the federal government and the states which administers health care for the poor.

- Medicare - is an insurance program administered by the federal government to provide medical coverage for individuals age 65 + or older and younger persons with disabilities.

State Medicaid Programs

- Looking at two state Medicaid programs is like comparing……



And

State Medicaid Program

- Funded as a joint partnership between federal and state government.
- Funds from the state are determined by labor statistics.
- General guidelines are defined in the Social Security Act and the Code of Federal Regulations.
- Eligibility determination can vary greatly from state to state.

State Medicaid Services

- Hospital
- Physician
- Pharmacy
- Child vaccination
- Home health care
- Prenatal care
- Federally qualified health centers (FQHC)
- Early and periodic screening, diagnostic, and treatment (EPSDT)
- Waiver

The Basic Elements

- The cornerstone of Medicaid is the federal and state partnership.
- Federal Financial Participation (FFP)
- FFP is determined by the state's labor statistics.
- Moving target – FFP can change every year.

Code of Federal Regulations

- The Code of Federal Regulations (CFR)
- Fleshes out the Social Security Act, Title XIX
- Title 42 CFR § 430 – end
- Working regulations for the administration of Medicaid

42 CFR §455.2 - Fraud

- Intentional deception
- Misrepresentation
- Knowledge
- Unauthorized benefit

42 CFR §455.2 - Abuse

- Provider practices inconsistent with sound fiscal, business, or medical practices
- Result in unnecessary cost
- Reimbursement for medically unnecessary procedures
- Fail to meet professionally recognized standards
- Includes recipient activity

42 CFR §455.2 - Exclusion

- Provider that has been excluded from participation by the Office of Inspector General, HHS
- State agencies must not contract with excluded providers
- Federal funds cannot be used for items or services furnished by an excluded entity
- Both individuals and businesses

42 CFR §1001 Exclusion

- Definition
- Length of exclusions
- Mandatory or permissive
- Why is this so important?

42 CFR §455.14 – Preliminary Investigation

- State Medicaid agency receives a fraud or abuse complaint
- Identifies questionable practices
- Must conduct a preliminary investigation
- Triage to determine investigatory response

42 CFR §455.15 – Full Investigation

- Preliminary investigation findings
- Fraud?
- Refer to the Medicaid Fraud Control Unit (MFCU)

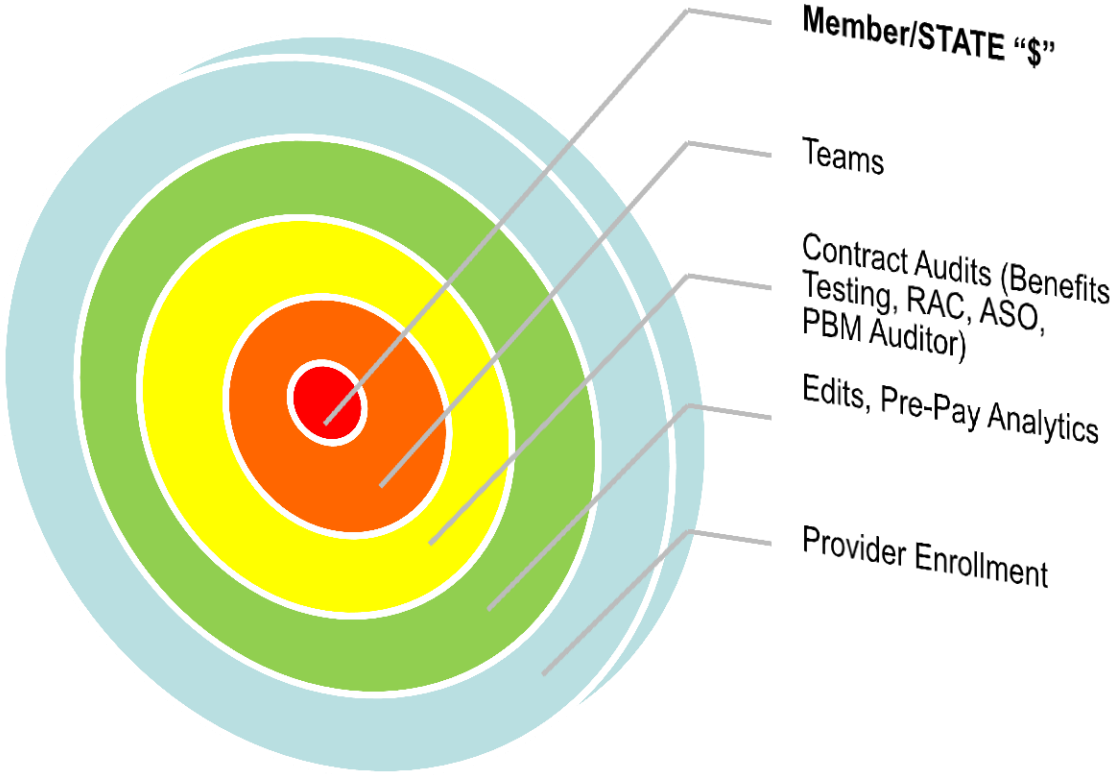
State False Claims Act

- Modeled after the federal act
- States have an incentive of 10% FFP
- Civil Monetary Penalties - $5,500 up to $11,000 per occurrence
- Treble (3X) damages

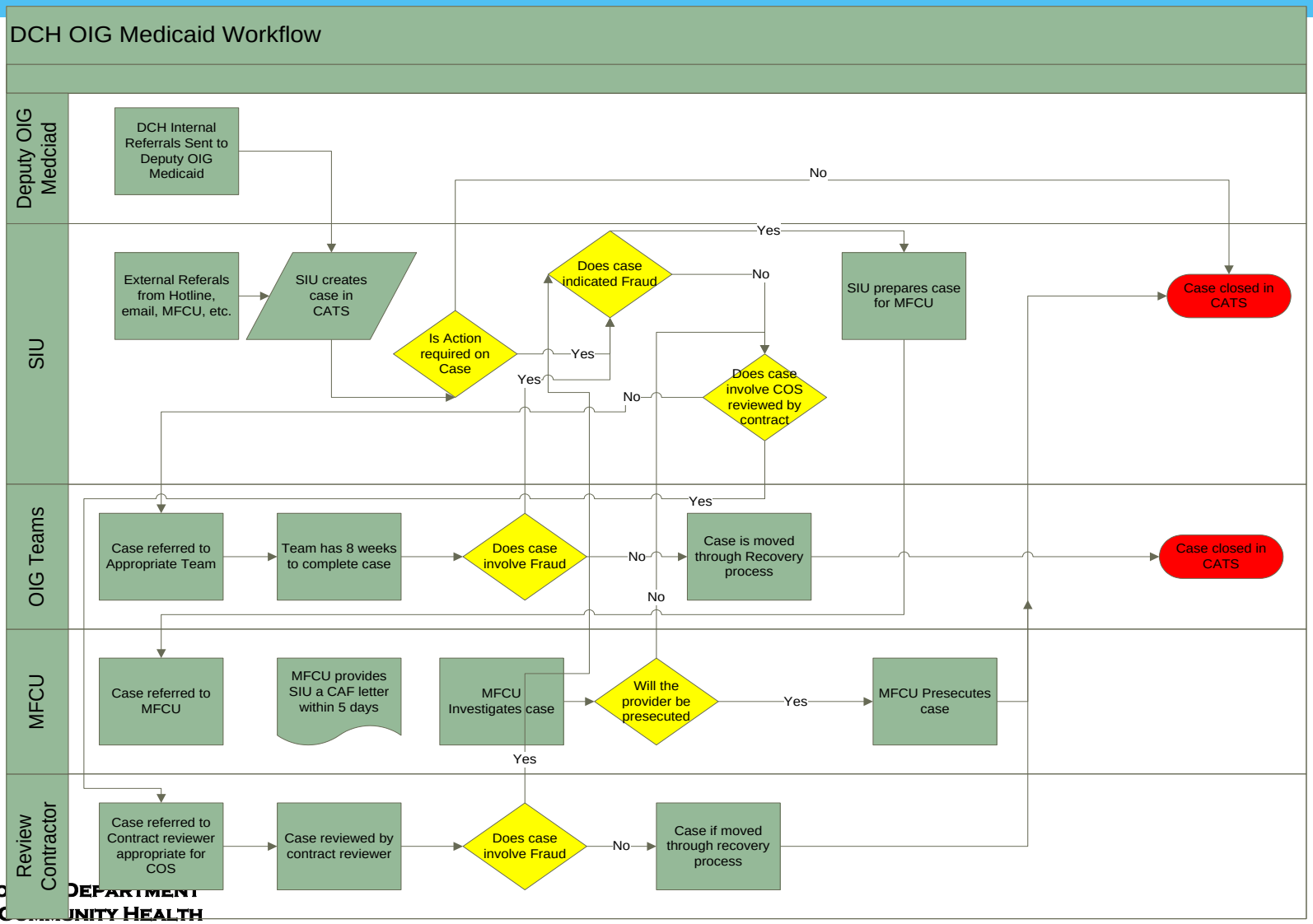
False Claims Act (FCA) Training

- $5,000,000 in Medicaid reimbursement
- Must establish written policies about the FCA
- Entity's policies must have language regarding prevention
- States are required to follow up with entities to ensure they are complying with this provision.

Layers of Protection for High Priority Target



High Level Workflow



Audits

- Audits can occur any time for any purpose
- State is authorized to look back 5 years
- Desk reviews
- On sites

Lock In Program

- The Pharmacy Lock-In program is designed to
  - prevent members from obtaining excessive quantities of prescribed drugs through visits to multiple physicians and multiple pharmacies
  - to help control duplicate and inappropriate drug therapies
- There are predefined criteria that patients must meet in order to be placed in the Lock-In Program
- Lock-In is for a defined amount of time (currently 2 years)
  - after this patients are reviewed every 6 months for emerging patterns indicating abuse
- The benefit of this program is that one pharmacy can monitor the number of physicians and prescriptions that the member is filling and intervene if necessary

Questions/Comments