



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Medicaid Program Integrity



Presentation to: Southern Legislative Conference

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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).



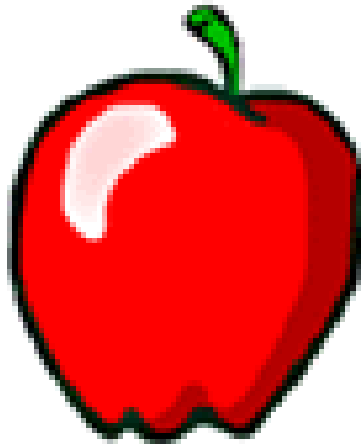
Medicaid vs. Medicare

- 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

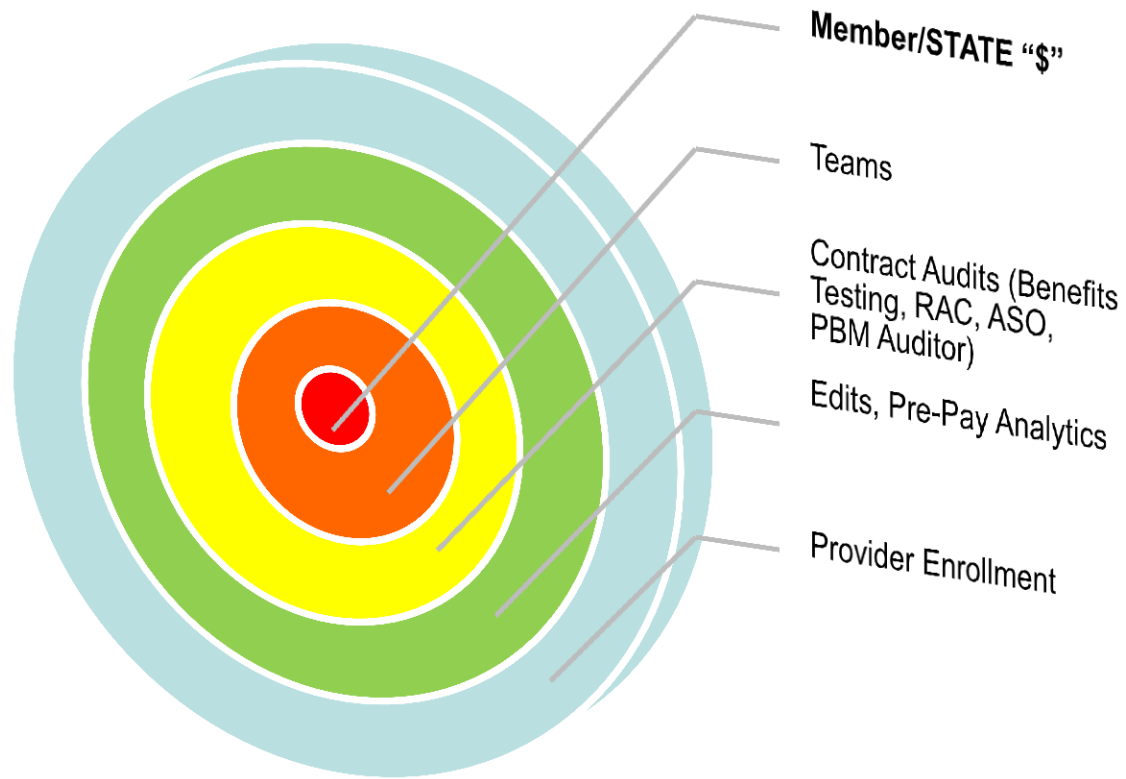
- Modeled after the federal act
- States have an incentive of 10% FFP
- Civil Monetary Penalties - \$5,500 up to \$11,000 per occurrence
- Treble (3X) damages

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



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

