



Assuring the Integrity of Wisconsin's Medicaid and FoodShare Programs

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Overview – Medicaid and FoodShare

- Program Overview
- Roles of Federal, State, County and Tribal Government in Program Administration
- Enrollment Trends
- Recent Eligibility Systems and Policy Changes
- Relative Performance in Program Integrity
 - Member
 - Provider



What is Medicaid?

- **Medicaid** is the health care program for persons with disabilities and persons who are elderly who have limited financial resources.
- **BadgerCare Plus** is a set of health care programs for low-income families (Standard and Benchmark Plans) and for adults without dependent children (Core Plan).
- **Medicaid and BadgerCare Plus** (Standard and Benchmark Plans) are funded by both state and federal funds. They are governed by Titles XIX and XXI of the Social Security Act and by state law.
- The **BadgerCare Plus Basic Plan** is a self-funded insurance plan for adults without dependent children who are on the BadgerCare Plus waiting list.



What is FoodShare?

- **FoodShare** is the name for Wisconsin's version of the Supplemental Nutritional Assistance Program (SNAP) by the federal government. It used to be called Food Stamps.
- **FoodShare** is a benefit that allows low-income individuals to purchase food at participating retailers across the country. The benefit is provided through an Electronics Benefit Transfer Card (QUEST).



What is FoodShare?

- **FoodShare** benefits are 100% federally funded.
- **FoodShare** eligibility is set by the federal government in law and regulation, although some implementation options are allowed to states.
- States handle eligibility and enrollment (member).
- Federal Government, USDA's Food and Nutrition Service, is responsible for certifying retailers to receive FoodShare benefits and ensuring that they follow program rules.



Roles of Federal, State, County and Tribal Government in Program Administration



Roles of Federal Government

- Medicaid
 - Pay 58% to 90% of Medicaid and BadgerCare Plus benefit costs.
 - Pay 50% of Medicaid/BadgerCare Plus administrative costs.

- FoodShare
 - Pay 100% of FoodShare benefit costs.
 - Oversight of FoodShare retailers, including retailer program integrity.
 - Pay 50% of FoodShare administrative costs.



Roles of State Government

- Set and communicate policy and process for programs within federal law/rules and state law.
- Payment of providers (FoodShare Electronics Benefit Transfer and Medicaid's interChange systems).
- Maintain Eligibility systems (CARES, ACCESS, Electronic Case File).
- Supervise administration of program eligibility and enrollment by county and tribal agencies (and payment to those agencies for these tasks).



Roles of State Government

- Administer programs for Milwaukee County (Milwaukee Enrollment Services or Miles) and for adults without dependent children at the Enrollment Services Center (ESC).
- Responsible for Medicaid program integrity for providers and member.
- Responsible for FoodShare program integrity for members.
- Contract with HMOs and CMOs to provide care to certain members.



Roles of County and Tribal Government

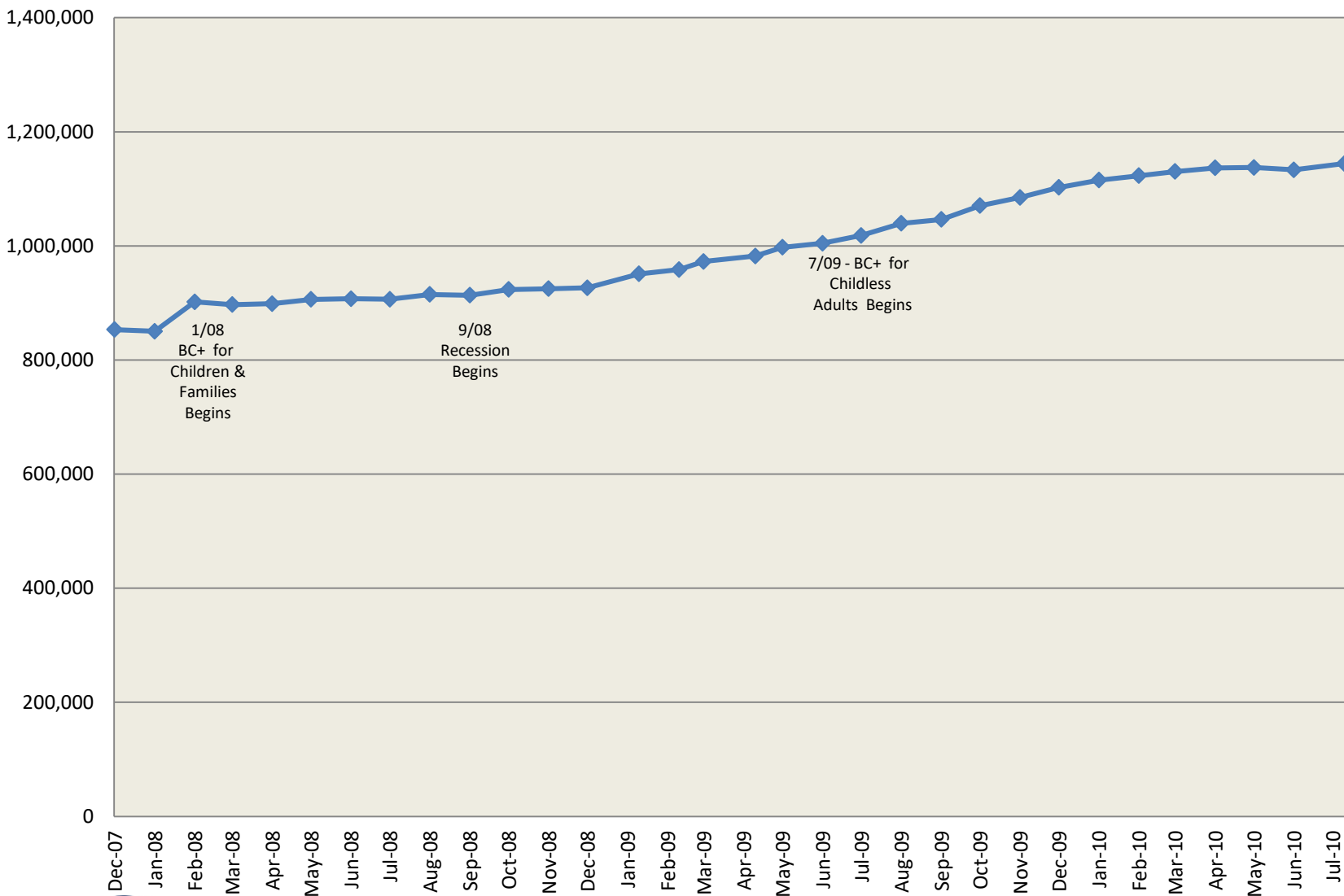
- Determine eligibility for Medicaid, BadgerCare Plus, FoodShare, and other IM programs, including program integrity duties.
- Determine eligibility based upon state policy and process rules using state systems.
- Receive federal matching funds for administrative funds paid for by the local agency.
- Advise State on development of policy, process and systems through the Income Maintenance Advisory Committee (and subcommittees).
- Can be a service provider (mental health, tribal health clinic, public health agency, etc.).



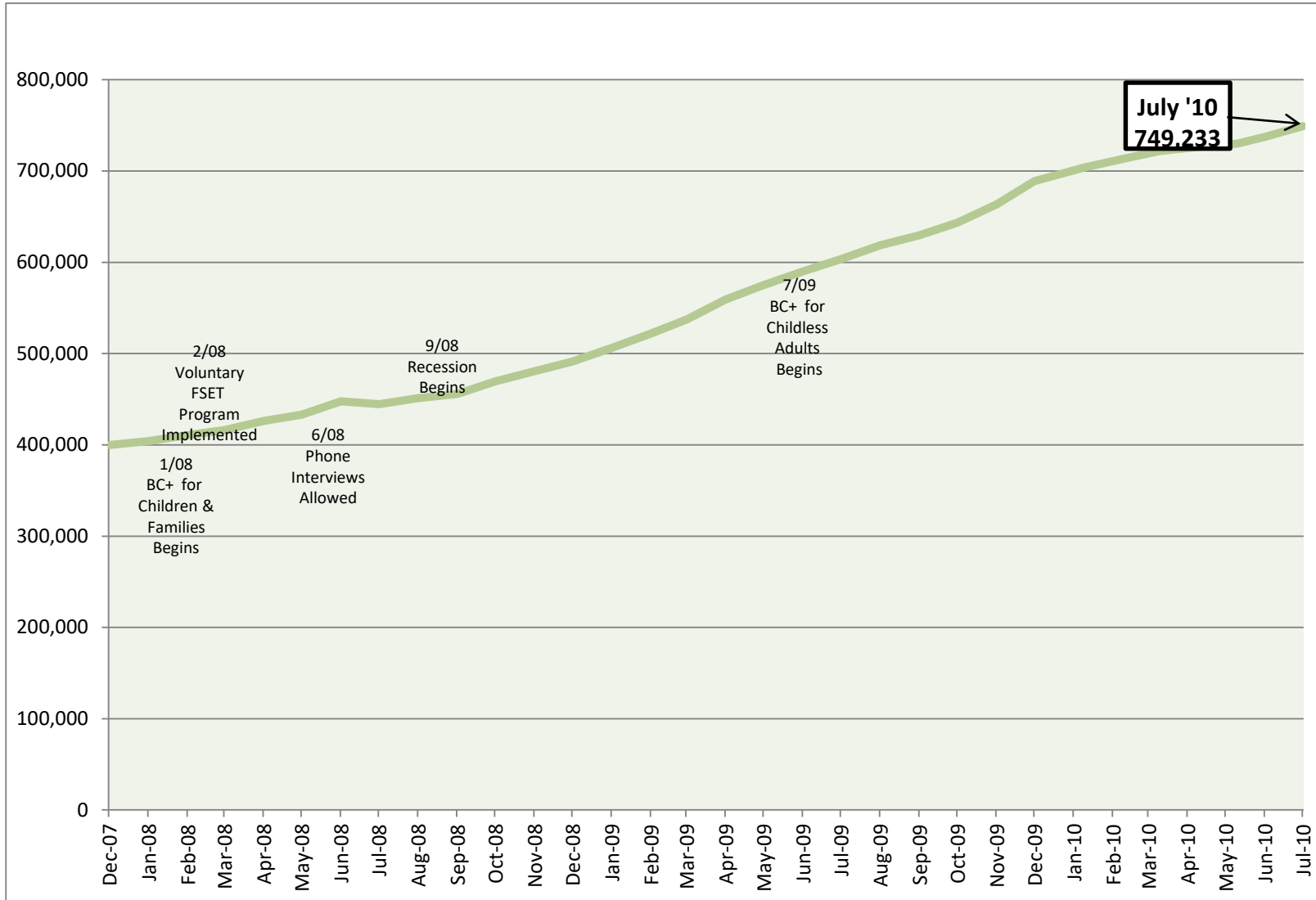
Recent Trends in Enrollment



Medicaid Enrollment: December, 2007 – July, 2010



Wisconsin FoodShare Members: December, 2007 – July, 2010



Reasons for Increased Participation

- Economic Downturn in September 2008
- Easier to access the programs for qualified people:
 - Policy and process changes (streamlining, etc.)
 - Automated Systems (ACCESS, Electronic Case File, etc.)
- Expansion to BadgerCare Plus through state law changes:
 - January 2008 Children, Pregnant Women and Families
 - June 2009 Childless Adults (Core Plan)
 - June 2010 Childless Adults (Basic Plan)



Recent Eligibility System and Policy Changes

Our Goal:

Ensure the right people receive the right benefits at the right time.



DHS Objectives in Eligibility Determination

- Ensure that everyone who is entitled to program benefits has simple and easy **access** to them.
- Achieve and maintain a high level of **quality**.
- Manage **workload** effectively as caseload increases.



Recent Changes in Eligibility Systems, Processes & Policies

- DHS has implemented changes to deal with increasing caseload and to improve access to programs:
 - ACCESS: Innovative On-Line Application Tool
 - Milwaukee Enrollment Services (MiES)
 - Enrollment Services Center
- Result: Better customer service and fewer errors.



Why did DHS need to take over Milwaukee County Income Maintenance?

- High negative error rate – more than one out of every five denials or closures was wrong.
- Bad Customer Service:
 - Poor Call Center Performance (less than 5% of calls were answered)
 - Long wait times in the lobby to see a worker
 - Lost applications, renewals, case files and documents
 - Untimely processing of applications, renewals, changes
 - Disrespectful to members



Recent Changes in Eligibility Systems, Processes & Policies

- Broad Based Categorical Eligibility – No Asset Test for FoodShare.
- Simplified reporting for FoodShare (-800,000 changes processed per year).
- Voluntary FoodShare Employment and Training.
- Eliminate Face-To-Face Interview Requirement, can now do interview over the phone.
- Telephonic Signature.



Wisconsin's Leadership in Eligibility

- National SNAP Awards
 - \$1.8 million Performance Bonus for 1.1% payment accuracy in federal fiscal year 2009 (3rd lowest in U.S.)
 - \$900,000 Performance Bonus as one of most improved participation rates in U.S. for federal fiscal year 2008
 - \$1.5 million Performance Bonus for most improved negative error rate (incorrect closure of cases) in U.S.

- SNAP Midwest (Big Ten) Region Awards
 - 2009 High Performance Award
 - 2009 Most Improved Payment Accuracy Awards
 - 2009 Best Payment Accuracy Awards



Wisconsin's Leadership in Eligibility

- Twelve (12) states have adopted ACCESS from Wisconsin's design:

Virginia	West Virginia
Colorado	Georgia
Michigan	New York
New Mexico	Vermont
Oregon	Nevada
Maine	Washington



Program Integrity in Medicaid and FoodShare - Members



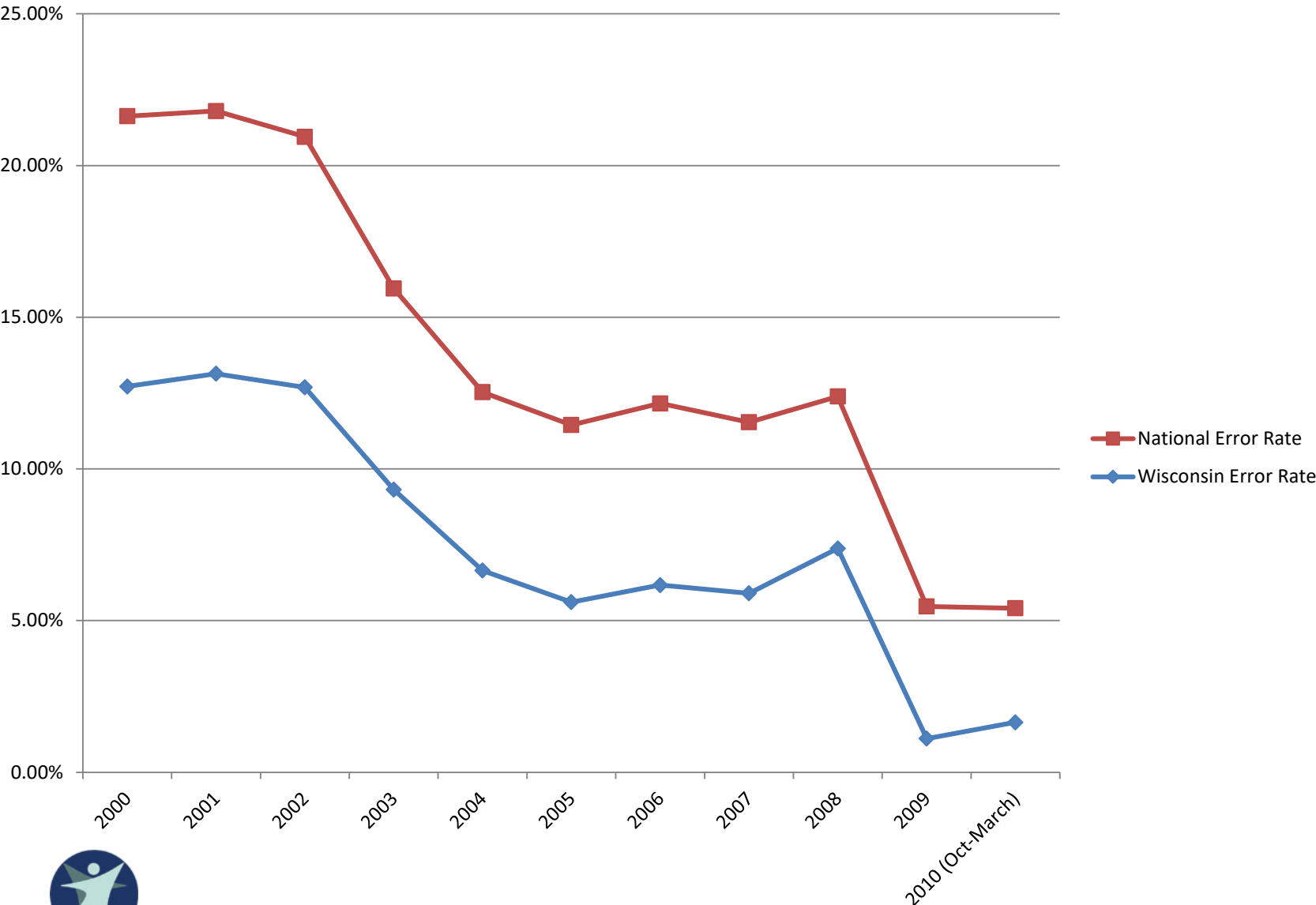
Member Program Integrity

- Three kinds of payment errors may occur:
 - Unintentional member errors.
 - Worker and system errors.
 - Intentional Member Misstatements or Omissions (Fraud).

GOAL: Minimize All 3

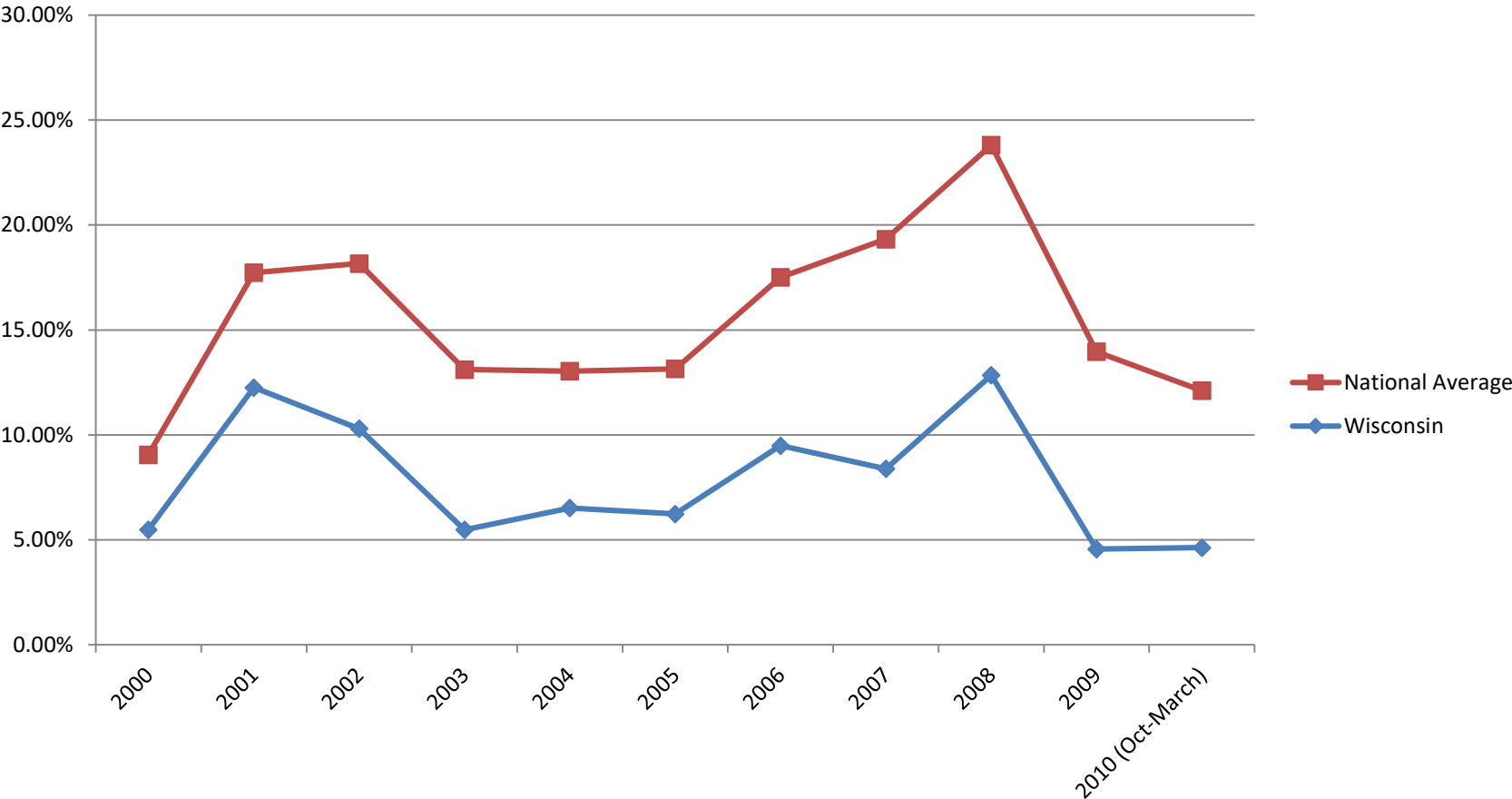


FoodShare Payment Accuracy Error Rate: 2000 to 2010



FoodShare Negative Error Rate

NOTE - The negative error rate is the percentage of cases that were denied or closed incorrectly.



Wisconsin's FoodShare Program has been penalized by USDA for errors in the past

- Wisconsin has not incurred a fiscal sanction since 2002.
- Wisconsin's sanction total for 2000-2002 was \$8,025,887.
- Wisconsin only had to pay back 30% of sanctions due to establishing a reinvestment plans to settle sanctions.
- The average error rate for program years 2000-2002 was 12.8%.
- The error rate was reduced by about 25% in 2003 due to policy changes.
- The error rate decreased significantly in 2009 and the first six months of 2010 due to systems and policy changes.



Medicaid Payment Accuracy Error Rate

- Like the FoodShare error rate, Wisconsin's Medicaid payment accuracy error rate has also been improving.

Program Year	Payment Error Rate
2006	7.2%
2007	3.5%
2008	2.9%
2009	not available



Specific Efforts to Reduce Errors

- Statewide payment accuracy consultation with local agencies to improve payment accuracy.
- Statewide implementation of a targeted 2nd party review system in 2006. Close to 90,000 cases have been reviewed.
- Implementation of the electronic case file system, allowing for standardized and current files.
- System changes to allow for auto-updates of new employment information, child support income, unemployment compensation income and Social Security information.
- Special projects in 2004 such as the Milwaukee case review sweep and a quality control business process improvement project to standardize case review procedures.



Increased management focus on improving payment accuracy at the local and state level.

Further Efforts to Improve Medicaid and FoodShare Member Program Integrity

- Focus on collective prevention:
 - Front end verification – identify error prone cases before they receive benefits.
 - Income Maintenance Quality Assurance System (IMQA): 1% of cases reviewed by supervisor each month, focusing on the most error prone.
- Simplify - streamline policies and processes that support accurate determinations (common policies across programs).
- Fraud detection and investigation activities, including the Central Wisconsin Fraud Prevention Investigation Consortium (13 agencies).



Further Efforts to Improve Medicaid and FoodShare Member Program Integrity

- Federal SNAP rules on Intentional Program Violations.
- Use of federal Public Assistance Reporting Information System (PARIS), which matches Wisconsin data with other states and with federal agencies to identify duplicate benefits (MA, FS, TANF), federal retirement or employment income, and members with federal veterans' benefits.
- Allow local agencies to receive federal match for these activities under their contract with the State.



Local Agencies and Program Integrity

- Front-end Verification using agency created profiles of cases more likely to have an error.
- Claims establishment for overpayments to begin the recovery process.
- Refer and investigate potentially fraudulent activity.
- Data entry in CARES to track fraud investigations.
- Administrative Disqualification Hearing process for FoodShare.
- Criminal prosecution of intentional program violations in FoodShare and Medicaid.



Future Plans

- Using funding from a Robert Wood Johnson grant, create a system that would use data from other systems (Unemployment Compensation, Child Support, etc.) to:
 - Identify and sign up eligible kids and others.
 - Increase accuracy of decisions.
- \$500,000 of bonus funds for Fraud Initiative for regional county consortia and/or statewide fraud detection and investigation contract (September 2010).



Future Plans

- Based upon Central Wisconsin Fraud Prevention Investigation Consortium:
 - Columbia County acts as administrative agency.
 - Adams, GreenLake, Jackson, Waushara, Juneau, Marquette, Sauk, LaCrosse, Wood, Portage, Monroe and Winnebago Counties (and six other agencies have expressed interest in joining in 2011)
 - Contracts with O'Brien and Associates
 - Each agency contributes and amount based upon caseload out of tax levy or donations. Funds are pooled and matched with federal funds.
 - \$12.48 (savings) to \$1.00 (admin cost) Ratio in 2010.



Future Plans

- Asset Verification System for Medicaid.
- Client Education:
 - Messages while completing ACCESS applications, renewals and changes to promote accuracy.
 - DVD/Electronic Message Boards in lobbies and on the web to promote accuracy.
- National Health Care Reform allows for even greater integration across data systems:
 - IRS Tax Information.
 - Citizenship/Immigrant Information.
 - Additional Data Sources To Be Determined.



What We Need for Member Program Integrity

- Support for the sharing of automated information between Departments to encourage participation of eligible individuals AND assure that we are determining eligibility accurately.



Medicaid / BadgerCare Plus Provider Fraud Prevention and Detection



Medicaid Provider Program Integrity

Our Goal:

Promote and protect the integrity of the Medicaid Program through efforts to prevent and detect misuse of Medicaid funds.



State Role in Program Integrity

- Each state Medicaid program is required by federal rule to have a Surveillance and Utilization Review System (SURS).
- SURS Units are usually located in the State's Program Integrity organization.
- SURS identifies/refers and audits for Medicaid overpayments caused by “fraud, waste, and abuse.”
- Suspected Medicaid fraud must be referred to the WI Department of Justice's Medicaid Fraud Control Unit.
- Waste and abuse are generally addressed through the State's administrative processes.



Federal Role in Program Integrity

- Deficit Reduction Act
- PERM
- Medicaid Integrity Contract Auditors
- Recovery Audit Contractors
- OIG Audits/Reviews
- CMS Program Integrity Reviews
- Performance Standards
- National Medicaid Data Base
- Medi/Medi



Program Integrity Functions

- Certifying/de-certifying providers.
- Educating providers.
- Conducting audits.
- Recouping Medicaid funds that were inappropriately claimed.
- Referring suspected fraud to the Medicaid Fraud Control Unit and other law enforcement or regulatory agencies.



What is Fraud?

- FRAUD is a criminal act in which an intentional deception or misrepresentation is made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person.
- It includes any act that constitutes fraud under applicable State or Federal law.



Ways Fraud Can Occur:

- Provider enrollment materials
- Overutilization in Fee for Service settings
- Underutilization in capitated systems
- Claims submission and billing practices
- Antitrust violations
- Kickbacks



Fraud Found in Wisconsin

- Billing for services not performed:
 - Transport company billed for services and had no vans or personnel.
 - Physician billed for services with no equipment.
 - Therapist not allowed into home, bills for time sitting outside waiting.
 - Dentist routinely billed treatment that was not provided.



Fraud Found in Wisconsin

- Billing and retaining payment from both Medicare and Medicaid.
- Billing and retaining payment from both private insurance and Medicaid.
- Billing for the same services more than one time.
- Physicians billing a global obstetrical code and then billing individual visits.



Fraud Found in Wisconsin:

- Billing for non-covered services under a covered service code.
- Dentist provided one service but billed for a more expensive one.
- Pharmacists and medical equipment dealers billed for non-covered drugs and ointments.
- Therapists billed for attending meetings.



Pre-Payment Safeguards

- Provider Enrollment
- Site Visits
- Provider Education
- Prior Authorization
- Managed Care Provider Contracts



Claim Processing Safeguards

- Claims Edits/Audits
- Manual Claims Review
- Payment Suspension



Post-Payment Safeguards

- Explanation of Benefits to Members
- Payment Notices to Providers
- Audits/Reviews
- Fraud Investigation/Referral Procedures



Fraud Algorithms

- Peer Group Comparisons:
 - Example: Compare to similar providers.
- Tracking/Following Member Care Patterns:
 - Example: New providers for problematic members.
- Matching Services:
 - Example: SMV to covered Medicaid services; Services paid while recipient hospitalized or in a Nursing Home.
- Matching Specific Lists to Existing Data:
 - Example: List matched to addresses, dates of death .



Emerging Issues

- Home Health
- Managed Care
- DME/DMS
- Personal Care Attendant Services
- Pharmacy
- Transportation
- Waiver Services



- Government Accountability Office Report on State Efforts to Prevent and Detect Improper Payments cited Wisconsin as “one of eight states that were particularly active in indentifying and responding to improper payment issues”.



2005 – CMS Program Integrity Review

- “The State’s overall efforts in the detection of Medicaid fraud and abuse are impressive.”
- “The Program Integrity Unit shows a strong commitment to the detection and prevention of fraud and abuse.”



2006 – CMS PERM Review

- Payment Error Rate Measurement Program finds that Wisconsin has a Medicaid payment error rate that is far below the national average.
 - 2.2% vs. 8.9%



2008 – WI Legislative Audit Bureau

Review:

- Out of \$4.2 billion in Medicaid expenditures, LAB found \$268,000 in overpayments.
- Out of 9.4 million cases reviewed, LAB there were less than 100 instances of potential irregular Medicaid payments.
- Positive Return on Investment – Over five (5) years DHS recovered \$31.8 million in overpayments.



2009 CMS Program Integrity Review

- “The State of Wisconsin applies some effective practices that demonstrate program strengths and the State’s commitment to program integrity.”
- “Wisconsin has developed a comprehensive system for identifying, investigating, and referring fraud, waste, and abuse.”



ACA Program Integrity

- National Health Care Reform Provides More Tools for Preventing, Detecting & Prosecuting Fraud.
- Enhances Provider Screening Provisions.
- Expands Recovery Audit Contracts.
- Excludes Medicare Terminated Providers.
- Tightens Ownership Provisions.
- Requires Surety Bonds of Certain Providers.
- Expands Use of Correct Coding Initiative.



What Are We Doing?

- National Involvement
- Chair Fraud & Abuse Technical Advisory Group:
 - Immediate Past President of the National Association for Medicaid Program Integrity.
 - Faculty at the Medicaid Integrity Institute.
 - Panelist at National Health Care Fraud Summit.
 - CMS Program Integrity National Focus Group.
 - National Advisory Committee Medicaid Integrity Education.
 - National Advisory Committee on Provider Exclusions.



What Are We Doing?

- Hiring additional fraud prevention staff.
- Enhancing program's analytic tools to better detect fraud.
- Conducting on site audits of at risk providers.
- Conducting Independent Assessments of Home Care Needs.
- Acquiring a Transportation Broker.
- Adopting ACA integrity provisions.
- Focus on Home Health & DME.
- Collaborate with WI DOJ, US DOJ, US Attorney, IRS, CMS, HHS Inspector General .



Questions

