Division of Medicaid & Long-Term Care

Program Integrity Contractors Audit Annual Report

December 1, 2021

Prepared in Accordance with Neb. Rev. Stat. § 68-974

NEBRASKA

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES

Pete Ricketts, Governor

December 1, 2021

Patrick O'Donnell, Clerk of the Legislature
State Capitol, Room 2018
P.O. Box 94604
Lincoln, NE 68509

Dear Mr. O'Donnell:

Nebraska Revised Statute § 68-974 requires that the Department of Health and Human Services (DHHS), Division of Medicaid and Long-Term Care (MLTC) report on the status of Medicaid Program Integrity audit contractors and the savings accrued as a result of the contracts.

DHHS participates in the Unified Program Integrity Contract (UPIC) under a Joint Operating Agreement (JOA) with CoventBridge. The UPIC is a collaborative effort between CoventBridge (under federal contract), MLTC, and law enforcement officials.

As a result of UPIC and MLTC's collaboration, the savings for the State of Nebraska during state fiscal year was $762,016.73.

DHHS's contract with a Recovery Audit Contract (RAC) vendor expired on November 29, 2017, and it was not re-procured because the majority of claims are processed in managed care. DHHS has received a waiver from the Centers for Medicare and Medicaid Services (CMS) from RAC federal requirements. The current waiver from CMS expires December 2021.

If you have any questions, please contact the program at Kevin.Bagley@Nebraska.gov.

Sincerely,

Kevin Bagley, Director
Division of Medicaid and Long-Term Care
Department of Health and Human Services

Attachment

Unified Program Integrity Contractor (UPIC)

I. Introduction

The work carried out by the Unified Program Integrity Contract (UPIC) and MLTC fits into four major categories: data analysis, investigations, audits, and medical review. The goal of the UPIC is to provide support and assistance to state Medicaid agencies in order to prevent, detect, and combat fraud, waste, and abuse in Medicaid. The UPIC includes state, regional, and national efforts and requires collaboration among state Medicaid agencies, the Centers for Medicare and Medicaid Services (CMS), and law enforcement officials.

CMS utilizes UPICs to perform Medicaid Integrity functions. Section 1936 of the Social Security Act (the Act), established by the Deficit Reduction Act of 2005, is the statutory authority under which the UPICs operate. Section 1936(a) of the Act provides that the Secretary must enter into contracts with eligible entities to conduct certain activities specified at Section 1936(b) of the Act. Section 1936(b) of the Act provides that eligible entities under contract with CMS can audit claims for payment for items or services furnished under a state plan as well as identify overpayments made to individuals or entities receiving federal funds under Medicaid to determine whether fraud, waste, or abuse has occurred or is likely to occur. CoventBridge is the UPIC for the Midwestern Jurisdiction.

Additionally, Section 6402 of the Patient Protection and Affordable Care Act (PPACA) provides guidance related to the Medicaid integrity program, health care fraud oversight and guidance, suspension of Medicaid payments pending investigation of credible allegations of fraud, and increased funding associated with targeting and preventing Medicaid fraud, waste, and abuse. Lastly, Section 6506 of the PPACA provides guidance related to Medicaid overpayment recoupment and federal repayment.

II. Discussion

A. Data Exchange

The Nebraska UPIC program operates under the existing Information Exchange Agreement (IEA) between CMS and Nebraska MLTC for the exchange and analysis of data. CMS is in the process of creating a Global Information Exchange Agreement for all programs. Nebraska MLTC will execute the Global Information Exchange Agreement (IEA) with CMS once it becomes available. CoventBridge will also execute the Global IEA.

B. Scope of Work

The purpose of the UPIC collaboration is to work with state Medicaid agencies to identify potential fraud, waste, and abuse across the Medicaid and Medicare programs. The program incorporates data matching, coordination, and information sharing to identify fraudulent or wasteful billing behavior that goes undetected when the programs are reviewed in isolation. This coordination of efforts includes activities such as those found in the Medi-Medi (Medicare-Medicaid) program and the National Medicaid Audit Program. SFY2021 studies focused on the following:

Neonate Diagnosis Related Grouping (DRG): Neonate DRG fraud, waste and abuse often goes undetected. Hospitals and other facilities that have DRG-related payment systems try to maximize and inflate their payments by adding diagnosis codes that may not be supported by the patient's actual condition in an attempt to take the DRG to a higher level of complication, which carries a higher payment level. The payment difference between the levels can be upwards of $5,000 or more. UPIC, in coordination with MLTC, conducted a proactive analysis to identify outliers based on their aberrant neonatal DRGs utilization. Emphasis was placed on neonatal care DRGs as some facilities have often overstated the condition and necessary treatment for this patient population.

Credit Balance Audit: Medicaid clients can have other insurance as the primary payer. Payers with different and sometimes competing requirements result in situations of overpayment of claims. Identification and reconciliation of these overpayments must occur as quickly as possible to ensure payment integrity. UPIC, in coordination with MLTC, initiated 30 Credit Balance Audits to be finalized in SFY2021.

Pain Management: Proactive study was conducted by the UPIC using data analysis that indicated a potential Medicare and Medicaid overutilization of facet joint and epidural steroid injection (pain management injections), spinal cord stimulator, and drug infusion pump procedures.

Genetic Testing: Providers that bill significantly more genetic testing than similar providers were identified. The clinical records review verified that services were performed as ordered.

Mental Health: A sample of clinical records for high volume providers were requested and reviewed to determine if the services were documented as claimed.

Transportation: A sample of documentation for high volume ambulance providers was reviewed to determine if the documentation substantiates the services billed. Providers were found to have billed for advanced life support when basic life support was provided.

Referrals from outside agencies: Investigations were coordinated between UPIC and MLTC, based on referrals from the Medicare Administrative Contractor, OIG Hotline, and public complaints.

C. Training and Education Plan

No training or education was provided during SFY2021.

D. Estimated Cost Recovery

The UPIC recovery received between January 1, 2021 and October 31, 2021 was $762,016.73. Investigations started in SFY2021 have the potential for additional recoveries and will be reported in the year finalized.

III. Conclusion

MLTC and CoventBridge will continue to collaborate to conduct reviews, audits, and investigations to safeguard the Nebraska Medicaid program and recipients. In collaboration with MLTC, CoventBridge will utilize proven methods to develop or support the State in its development of potential fraud, waste, and abuse cases.

Recovery Audit Contractor

I. Introduction

Section 6411 of the Patient Protection and Affordable Care Act of 2010 requires states to contract with a Recovery Audit Contractor (RAC) to identify and recover overpayments and underpayments. Neb. Rev. Stat. 68-973 and 68-974 allows Nebraska to enter into contingency-based contracts, defines the Medicaid post-pay audit requirements in conjunction with the RAC contract, and requires DHHS to produce an annual report on the status of the RAC contracts.

Nebraska Medicaid received a waiver from the RAC federal requirements because the majority of Nebraska Medicaid claims that would be subject to a RAC audit are processed by the managed care entities.

II. Discussion

A. Data Exchange

There is no data exchange.

B. Scope of Work

There is no contract with a RAC vendor.

C. Training and Education Plan

No training or education was provided this year.

D. Estimated Cost Recovery

No RAC cost recovery was received between October 1, 2020 and September 30, 2021

III. Conclusion

Nebraska Medicaid has a waiver of federal RAC requirements from CMS for December 1, 2019 through December 2, 2021.