Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES

Division of Medicaid & Long-Term Care

Program Integrity Contractors Audit Annual Report

December 1, 2022

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, 2022

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 because 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 reporting year 10/1/2021 to 9/30/2022 was $842,994.31.

DHHS's contract with a Recovery Audit Contract (RAC) vendor expired on November 29, 2017, and was not re-procured because most claims are processed in managed care. DHHS has received a waiver from the Centers for Medicare and Medicaid Services (CMS) from RAC federal requirements (copy enclosed). The current waiver from CMS expires December 2023.

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

Attachments: 2

Unified Program Integrity Contractor (UPIC)

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 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 Unified Program Integrity Contractors (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 contract with eligible entities to conduct certain activities specified at Section 1936(b) of the Act. Section 1936(b) of the Act provides that those eligible entities under contract with CMS can audit claims for payment for items or services furnished under a state plan; identify overpayments made to individuals or entities receiving federal funds under Medicaid; and 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 the 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.

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. The 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 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 program and the National Medicaid Audit Program. SFY 2022 studies focused on the following:

Inpatient Psychiatric Reviews This study was designed to identify outliers of inpatient psychiatric care claims reimbursed by Medicare and Medicaid. The analysis included average length of stay, re-admittance rates, reimbursement rates compared to peers, and common diagnosis patterns. The UPIC used data from the Transformed Medicaid Statistical Information System (TMSIS) and Medicare claims for service dates from 1/1/2018 to 4/6/2022. The UPIC worked 4 reviews of this topic during the reporting year.

Medicare Suspensions Medicare suspends payments to providers when there is a credible allegation of fraud under investigation. Payment suspensions are required by federal law and prevent the loss of additional funds and accumulate funds for the collection of restitution when a legal intervention is finalized. The UPIC shares the payment suspension notices with Nebraska Medicaid so Medicaid payments can also be suspended. There were 7 provider suspensions due to a Medicare payment suspension in the reporting period.

Transportation The UPIC analyzed claims for non-emergency medical transportation (NEMT) during the early part of the COVID-19 public health emergency and found that some providers had an increase in the number of services billed. The metrics analyzed included transportation with no medical service on the same date and services by multiple providers for the same client on the same date. The analysis of claims was from 1/1/2019 to 11/21/2020. The UPIC worked 4 reviews of this topic during the reporting year.

Pharmacy Audits The UPIC completed analysis of paid claims data from the managed care organizations to compare pharmacies and identify those that may be out of compliance with regulations and statutes. The analysis included total pharmacy payments per member, payments per script, percentage of controlled substance prescriptions, percentage of brand and generic prescriptions, and percentage of compound drugs dispensed. The pharmacy records were reviewed to assess compliance and identify overpayments to collect. The UPIC worked 37 reviews of this topic during the reporting year.

Oxygen Concentrator Pre-Authorization Study Nebraska Medicaid reimburses for oxygen when clients have certain conditions that are documented on the Medicare CMN to substantiate medical necessity. This study looks at claims information to identify recipients that may not have the conditions that qualify for oxygen coverage. The UPIC has started analysis of claims during the reporting year.

Credit Balance Audit and Self-Disclosures: 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. The UPIC, in coordination with MLTC, initiated 69 Credit Balance Audits to be finalized in SFY 2022.

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 SFY 2022.

D. Estimated Cost Recovery

The UPIC recovery received between 10/1/2021, and 9/30/2022, was $842,994.31. Investigations started in SFY 2022 have the potential for additional recoveries and will be reported in the year finalized.

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

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 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 most Nebraska Medicaid claims that would be subject to a RAC audit are processed by the managed care entities.

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, 2021, and September 30, 2022

Conclusion

Nebraska Medicaid has a waiver of federal RAC requirements from CMS that was renewed for December 1, 2021, through December 2, 2023.