

Health Law Bulletin

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Federal Government Expands Investment in Medicaid Program Integrity Efforts

Although it has gone by different names from time to time, program integrity has always been a fact of life for providers who participate in the Medicaid program. The most visible program integrity efforts are the audits that many providers find themselves subject to on a periodic basis. The audits may be educational; however, in many cases, they lead to identification of overpayments and attempted recoupment of those overpayments. Providers often use the administrative reconsideration or appeals processes to contest the recoupments recommended by the audits.

Because Medicaid is a partnership between the federal government (CMS) and the state Medicaid program, CMS is interested in program integrity and making sure that Medicaid funds are spent appropriately. In an effort to “beef up” the federal role in program integrity, the 2005 Deficit Reduction Act required CMS to create a federal Medicaid Integrity Program and created a Medicaid Integrity Group with substantial new funding to carry out its mission of improving Medicaid program integrity.

The Medicaid Integrity Group will contract with three types of Medicaid Integrity Contractors (MICs)—Review MICs, Audit MICs, and Education MICs. The Medicaid Integrity Group plans to spend as much as \$20 million per year or more on these contractors.

The Review MICs will analyze state Medicaid claims data to identify high-risk areas. They will then provide leads to the Audit MICs, who will conduct post-payment audits of Medicaid providers—a combination of desk audits and field audits. If overpayments are identified, CMS will collect the overpayments from the states, and the states will pursue repayment or recoupment from the providers. The Audit MICs will also make referrals to the Office of Inspector General or state Medicaid Fraud Control Unit if appropriate.

The Education MICs will be responsible for educating Medicaid providers, beneficiaries, and others concerning payment integrity issues.

As part of its work, the Medicaid Integrity Group also has the mission of working with state program integrity units to provide technical assistance, training, and sharing of best practices.

What does all of this mean for Medicaid providers? More audits—and more auditors. The Review MIC and Audit MIC contracts for the region that includes Arkansas have already been awarded. No timeframe has been provided on when the MICs will start their work.

If you receive a visit from a MIC, you should treat it as any other audit. Be cooperative. Establish a single point of contact within your organization who will deal with the MIC staff in terms of answering questions or providing patient records. If the auditors want to take original records from your site, make copies first; you don't know how soon you may receive those copies back from the contractor. Do not engage in idle conversation with the reviewers. Provide them only with the information they request. Request an exit conference so that you can have some idea of what the reviewers found—the contractor may or may not comply with this request. Ask the contractor when you can expect to see its audit report.

If a repayment is recommended, you should consider using the state's administrative reconsideration or appeals process. The reconsideration and appeals process can be complex to navigate, so you should consider whether you need the assistance of an attorney to assist you.