

SENATE HEALTH & WELFARE COMMITTEE  
Monday, February 22, 2016

ATTACHMENT 2



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Department of  
Health and Welfare

# Senate Health and Welfare Committee 2/22/16

BUREAU OF  
AUDITS AND INVESTIGATIONS

Steve Bellomy

S 1295

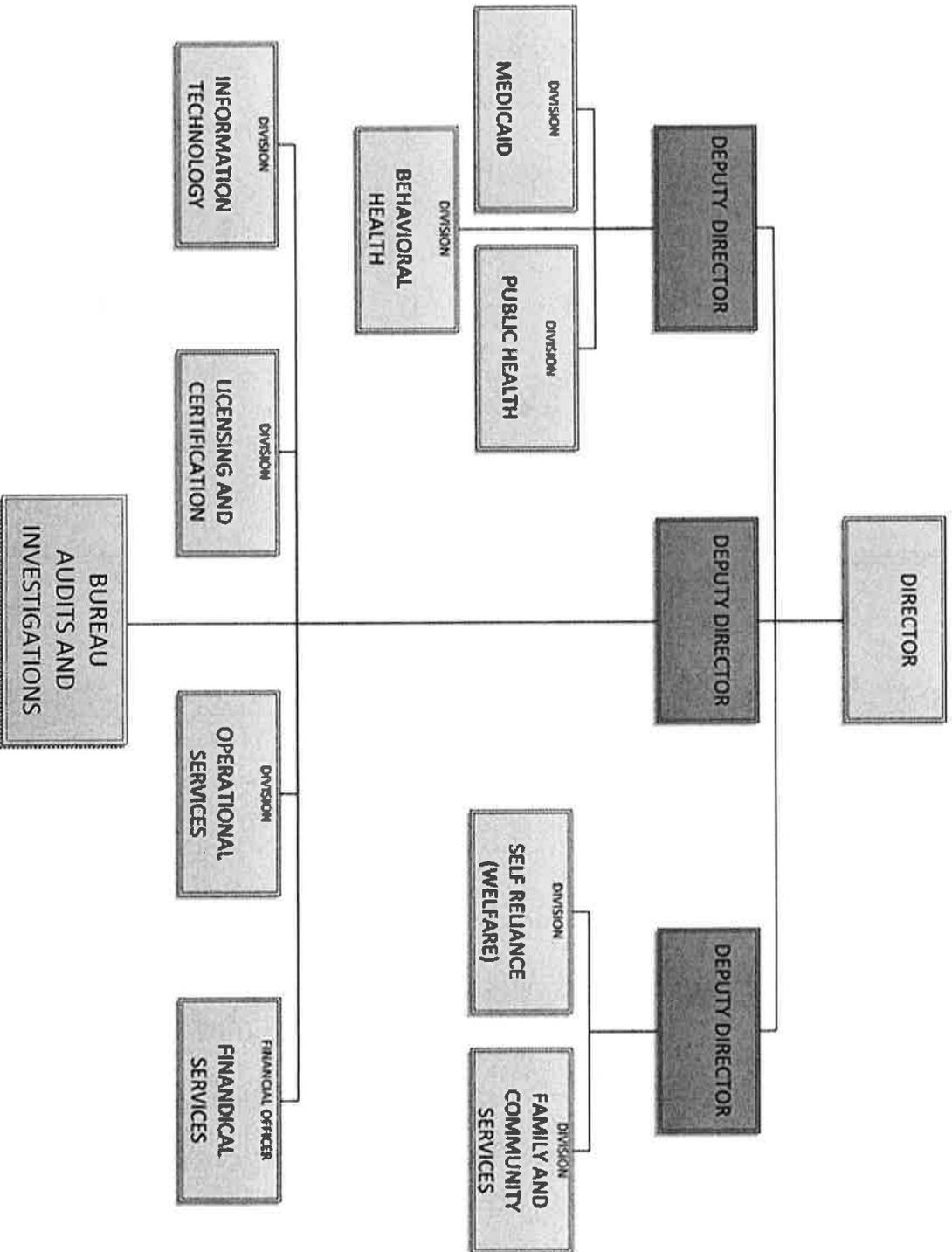
Fernando Castro

S 1296



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# AUDITS AND INVESTIGATIONS

Medicaid  
Program  
Integrity Unit

Welfare  
Program  
Integrity Unit

Criminal  
History Unit

Internal Audit

Fraud Analysis  
MPIU



## MEDICAID PROGRAM INTEGRITY UNIT

### ABOUT THE UNIT

The Medicaid Program Integrity Unit protects the integrity of Medicaid by detecting fraud, waste and abuse.

#### Demographics

Medicaid Providers	44,000
Managed Care Programs	3
Medicaid Expenditures	\$ 1.9 Billion
Claims Per Year	7.4 Million
Medicaid Program Integrity Staff	17



# MEDICAID PROGRAM INTEGRITY UNIT PERFORMANCE

## State Fiscal Year 2015

	Cases	Dollars
No Action	283	
Identified Overpayment/Penalty	172	\$ 3,196,032
Terminations and Exclusions	13	
Warning or Education	<u>4</u>	
Total Cases Completed	472	
Referrals For Criminal Investigation	8	



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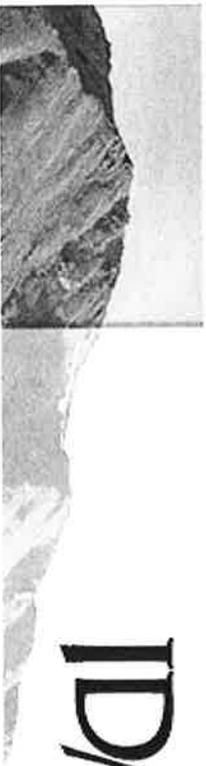
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## MEDICAID PROGRAM INTEGRITY UNIT

### FINANCIAL

#### State Fiscal Year 2015

Recovered Overpayments and Penalties	\$ 2,927,470
Expenditures	\$ 1,232,688
Outstanding Debt	\$ 4 million



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## MEDICAID PROGRAM INTEGRITY UNIT

### CHALLENGES

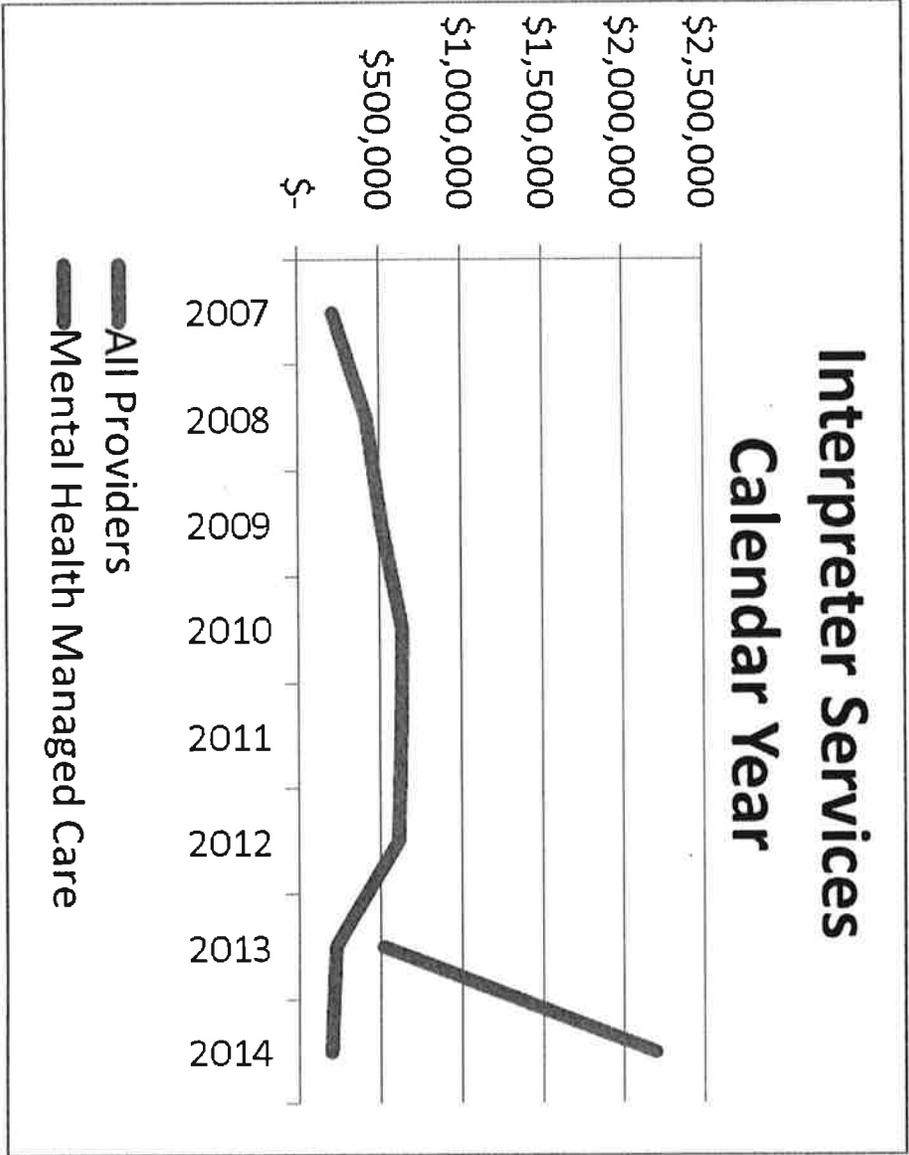
- Past Due Debts
- Managed Care
- Data Analytics

### SUCCESSSES

- Record Recoveries
- Exclusion Reinstatement
- Interpreter Services



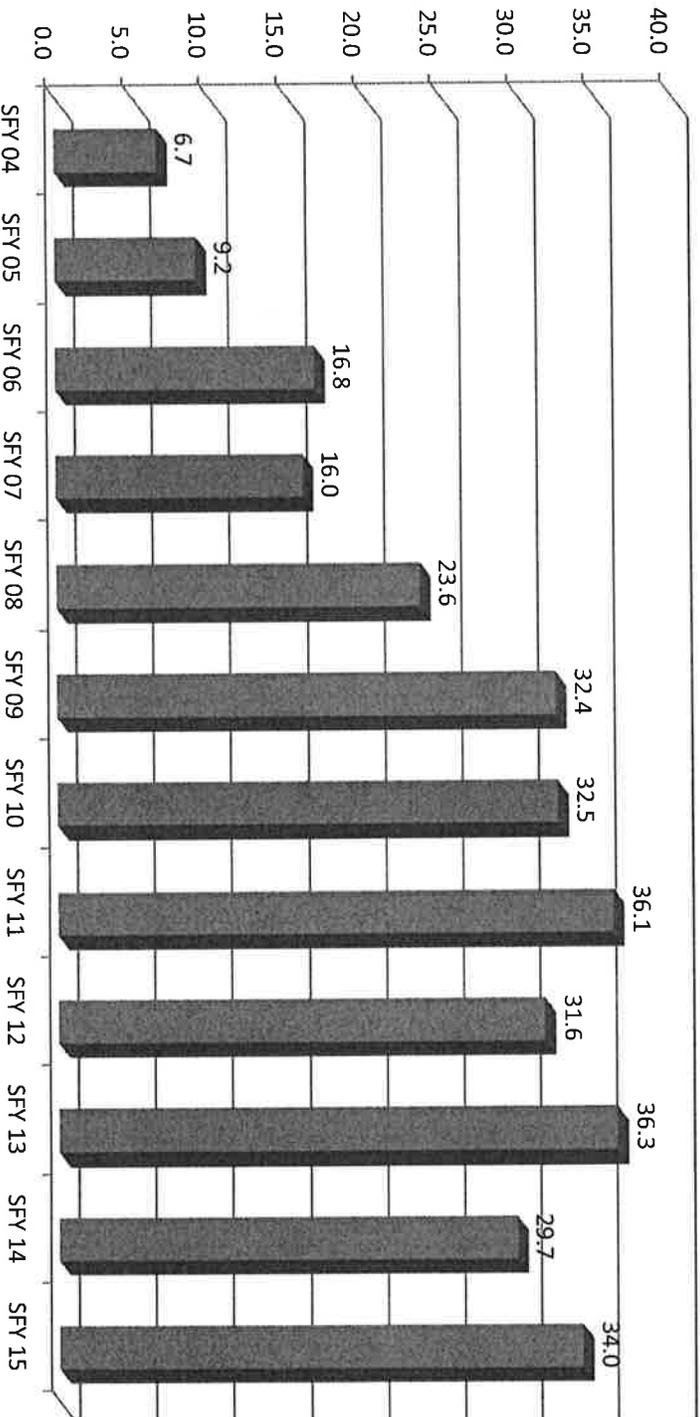
# MEDICAID PROGRAM INTEGRITY UNIT





# MEDICAID PROGRAM INTEGRITY UNIT School Based Services

SFY 2004-2015 School-based Services Payments (in millions)





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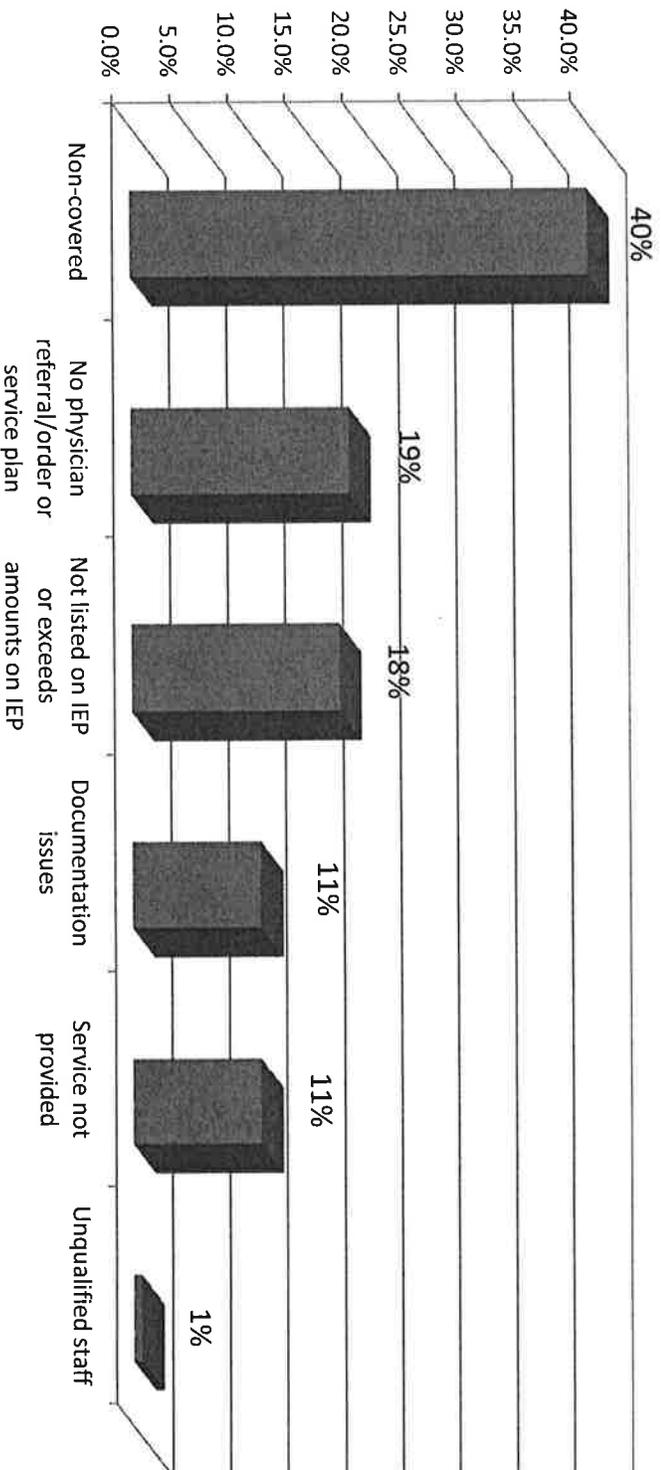
## MEDICAID PROGRAM INTEGRITY UNIT School Based Services

Year	Audits	Audits with Penalty	Audits with Over-payment	Lowest Penalty	Highest Penalty	Lowest Over-payment	Highest Over-payment
2016	9	0	5	\$ -	\$ -	\$ 11	\$ 97,406
2015	5	0	4	\$ -	\$ -	\$ 2,059	\$ 73,892
2014	3	1	2	\$ -	\$ 2,890	\$ 2,201	\$ 10,376
2013	10	6	8	\$ 28	\$ 21,275	\$ 111	\$ 85,203
2012	29	10	23	\$ 263	\$ 10,813	\$ 647	\$ 119,089



# MEDICAID PROGRAM INTEGRITY UNIT School Based Services

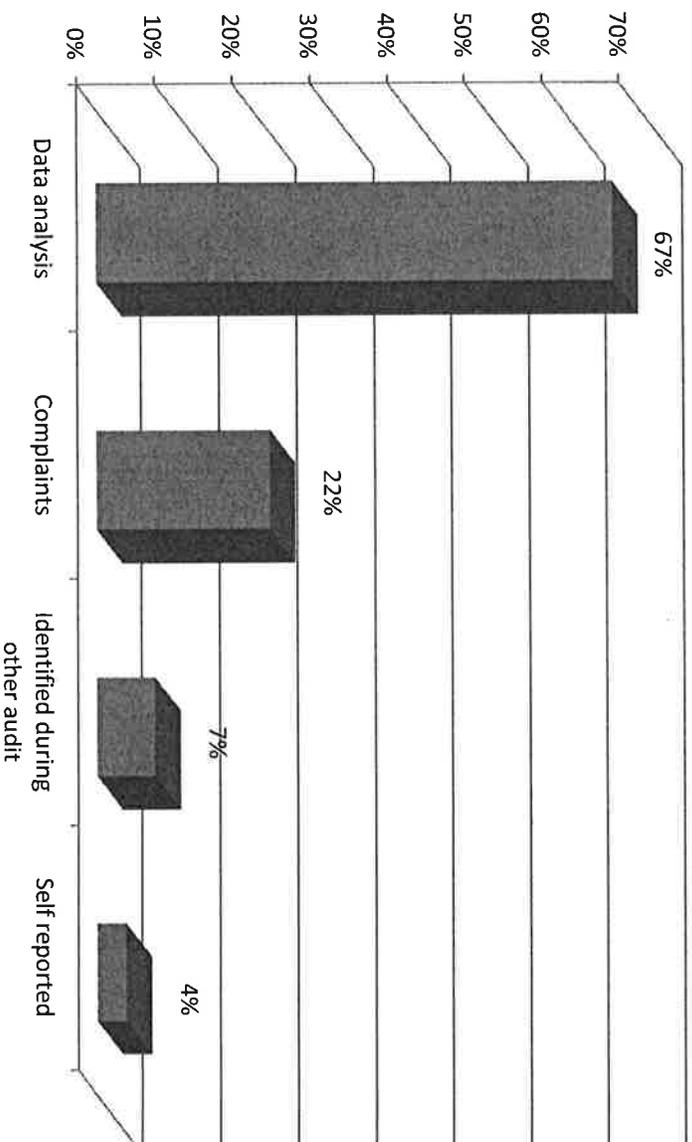
17 Sample Audits with Overpayments between \$1,000 and \$100,000





# MEDICAID PROGRAM INTEGRITY UNIT School Based Services

Reasons for Audit - 17 Sample Audits





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## WELFARE PROGRAM INTEGRITY UNIT

## MEDICAID PROGRAM INTEGRITY

Programs	Benefits (Millions)	Providers	Individuals
Medicaid	\$ 1,900	44,000	278,000
Food Stamp	\$ 277	1,000	201,000
Child Care	\$ 25	860	7,000
Women and Children	\$ 17	NA	41,000
Energy Assistance	\$ 10	NA	37,000
Aged, Blind and Disabled	\$ 9	NA	16,000
Temporary Assistance	\$ 7	NA	3,000



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## WELFARE PROGRAM INTEGRITY UNIT

### ABOUT THE UNIT

The Welfare Program Integrity Unit investigates allegations of welfare program waste, abuse, and fraud.

Investigators	Full Time	Part Time
Field	6	
Desk	1	2
Provider	1	



**WELFARE PROGRAM INTEGRITY UNIT**

**PERFORMANCE**

**State Fiscal Year 2015**

	<u>Individuals</u>	<u>Providers</u>
Leads		26,000
Investigations/Audits	2,463	20
Sanctioned or Overpayment	815	9
Prosecution	14	0
No Action	1,634	11
Overpayment/Penalties Identified	\$ 898,000	\$ 152,000



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## WELFARE PROGRAM INTEGRITY UNIT

### FINANCIAL

#### State Fiscal Year 2015

Recovered Overpayments/Penalties	\$ 1,030,701
Expenditures	\$ 791,045



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## WELFARE PROGRAM INTEGRITY UNIT

### CHALLENGES

- Potential Cases
- Retirements
- Program limitations

### SUCCESSSES

- Incarcerated
- Desk Reviews
- Highest Overpayments Recovered



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# CRIMINAL HISTORY UNIT

## ABOUT THE UNIT

The Criminal History Unit completes background checks of providers that care for vulnerable adults and children.

### State Fiscal Year 2015

Staff	12
Fingerprint Locations	11
Fingerprint Scanning Stations	10
Types of Service	40
Employers/Providers	3,500



# CRIMINAL HISTORY UNIT

## PERFORMANCE

### State Fiscal Year 2015

Background Checks 24,998  
 Denied/Withdrawn 303

### State Fiscal Year To Date 2016

Processing Time	Days	%
Scanned	2.8	73%
Paper Card	6.2	9%
Criminal Record	18.0	16%
Rejected Print	31.2	1%



# CRIMINAL HISTORY UNIT

## FINANCIAL

State Fiscal Year 2015	Total (in thousands)
Applicant Fees	\$ 1,481.0
General & Federal Funds	\$ 65.4
<b>Total Revenue</b>	<b>\$ 1,546.4</b>
Fingerprint Processing	\$ 899.9
Personnel Costs	\$ 598.6
Other	\$ 47.9
<b>Total Expenditures</b>	<b>\$ 1,546.4</b>



## CRIMINAL HISTORY UNIT

### CHALLENGES

- Website
- Appointments
- Reduce costs and reinvest

### SUCCESSSES

- Increased Appointments
- Improved website – Browsers and Provider Tools
- Identified 54 Non-Compliant Providers



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## INTERNAL AUDIT

### ABOUT THE UNIT

Internal Audit provides independent appraisals of the department's operations and systems of control.

#### Demographics

Staff	2
Automated Systems	15
Federal Grants	89

#### Audit Areas

Financial Controls	Management Controls
Indirect Cost Monitoring	Credit Card Compliance
Subrecipient Audit Finding	Information Technology Controls



# FRAUD ANALYTICS

## ABOUT THE UNIT

The analytics team provides data science support for the bureau.

### Demographics

Staff

1.5

Projects

Manage Data Sources

Analyze Trends and Mine Data for Suspect Providers,  
Claims, and Recipients

Oversee Sample Extrapolations