Office of Inspector General Overview

Fiscal Year 2020

Presentation to Appropriations Subcommittee

Health and Human Services

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Detecting Fraud

- Medicaid Fraud, Waste and Abuse Data Mining
- Food Assistance Program Trafficking Data Mining
- Identity Theft/Application Fraud
- Public Assistance Reporting Information System Match
- Out-of-State Bridge Card Transactions
- Social Media - Trafficking Analysis
- Incarceration Match

Examples of Health Services Provider Fraud, Waste, and Abuse

- Billing for medical services not actually performed.
- Billing for unnecessary services.
- Billing for more expensive services than actually performed.
- Billing for services separately that should legitimately be one billing.
- Billing more than once for the same medical service.
- Dispensing generic drugs but billing for brand-name drugs.
- Billing for supplies/medication not dispensed.
- Kickback schemes.

OIG Medicaid Integrity Accomplishments

In FY2018:

8,944 Provider Audits and/or Reviews performed by Medicaid Health Plans

- ✓ **$42.1** Million Identified Overpayments in Managed Care Organizations

790 Fraud Investigations Completed

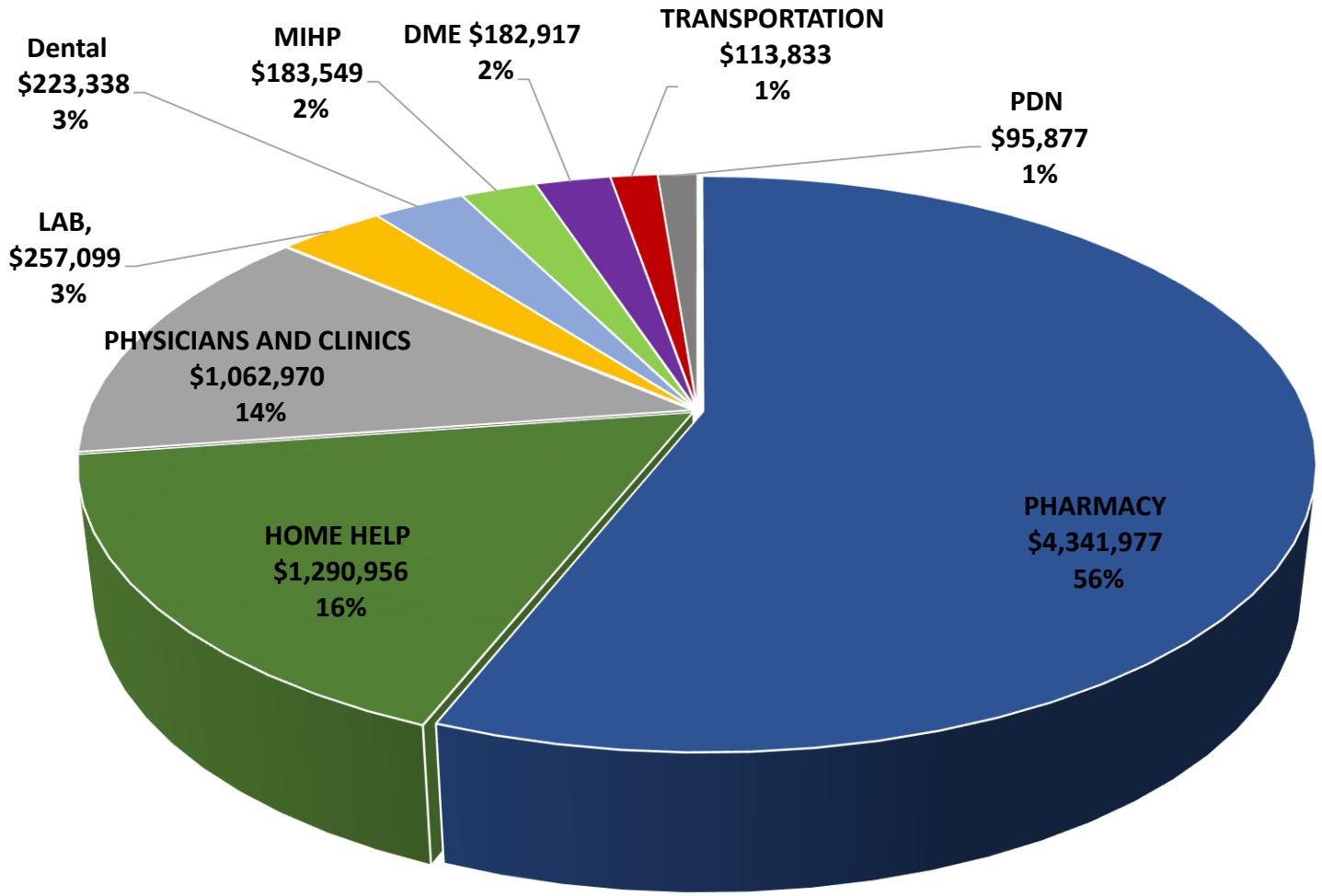
- ✓ **$7.4** Million Inappropriate Medicaid expenditures identified
- ✓ **$4.8** Million Recovered to date

37 Providers Sanctioned

- ✓ **$3.6** Million Cost Savings

MDHHS Michigan Department of Health & Human Services

Medicaid Provider Overpayments Identified FY2018



PDN-Private Duty Nursing

DME-Durable Medical Equipment

MIHP-Maternal Infant Health Program

OIG Public Assistance Accomplishments

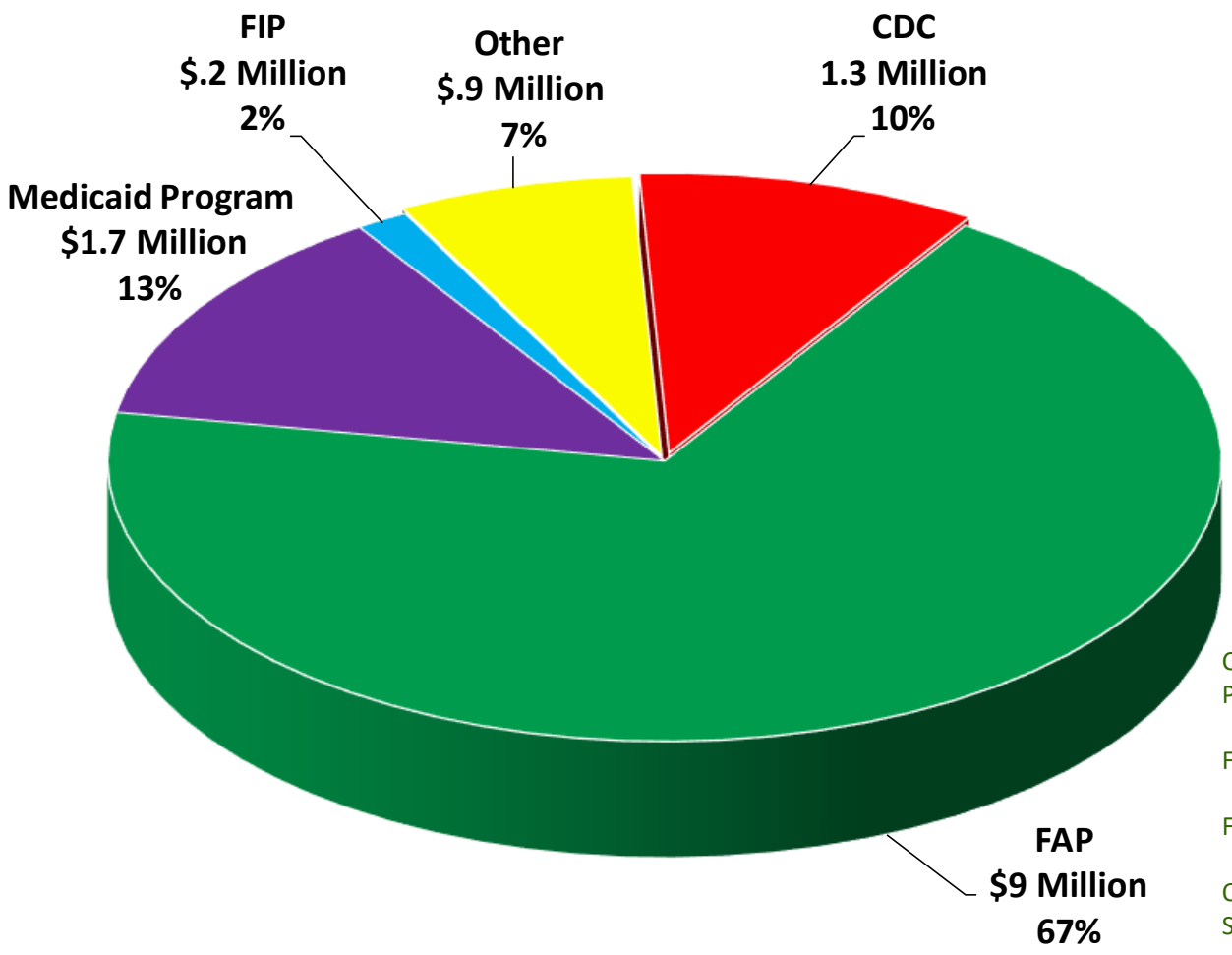
In FY2018:

- **$159.4 Million** in Fraud, cost savings and established program disqualifications
- **8,738** Fraud investigations completed
  - ✓ **$13.1 Million** Program Fraud Identified
  - ✓ **$9.2 Million** Cost Savings from Intentional Program Violation Disqualifications
- **34,791** Front End Eligibility (FEE)* Investigations
  - ✓ **$123.6 Million** Cost Avoidance in FEE Investigations

*Front End Eligibility (FEE): MDHHS caseworkers may request an investigation by an OIG agent when applications or re-certifications for public assistance contain suspicious or error-prone information. FEE agents investigate, substantiate or refute discrepancies and suspicious activities; the results may involve an assistance case not being opened, reduced benefits issued and/or case closure.

MDHHS Michigan Department of Health & Human Services

Public Assistance Fraud Dollars
(FY2018)



CDC = Child Development and Care Program

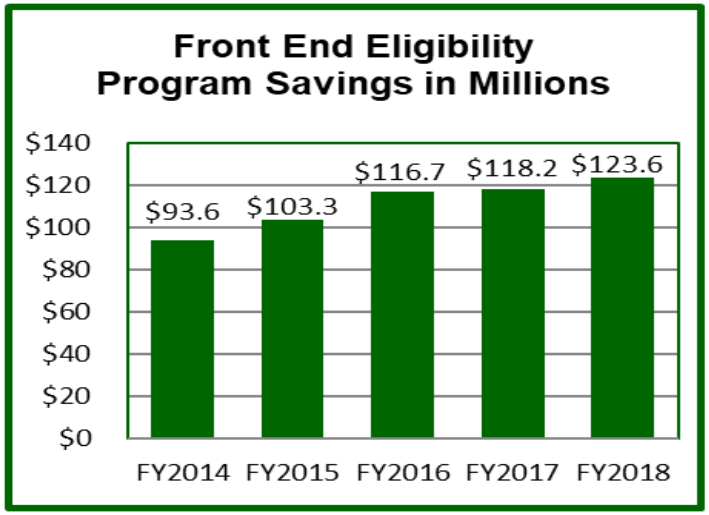
FAP = Food Assistance Program

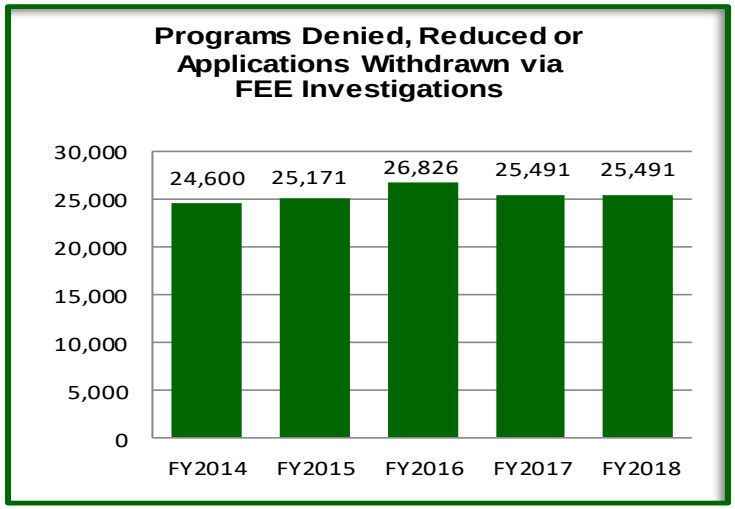
FIP = Family Independence Program

Other = Adult/Children's Services, State Disability, State Emergency Relief

FEE: Fraud Detection & Prevention

The OIG conducts investigations when clients are suspected of misrepresenting their eligibility for public assistance. Front End Eligibility (FEE) investigations are initiated when assistance applications or other submitted documentation appear to contain suspicious or error-prone information. In focusing on fraud prevention through FEE, OIG ensures public assistance program integrity and increased savings for the taxpayers.






Bridge Card
0238 2801 2345 6789
JOHN CARDHOLDER
MDHHS
Buying, selling or trading Bridge Card benefits is a crime.
Michigan.gov/WelfareFraud
7348
60089
OUTFRONT


Bridge Card
5077 1100 7960 5410
Bridge Card
5077 1100 7173 0554
Bridge Card
5077 1190 6097 2928
Bridge Card
4389 5850
Bridge Card
5077 1180 5994 9450
WIC

Governor Whitmer's FY20 Executive Recommendation

Medicaid High Risk Provider & Beneficiary Oversight Investment

$3.4 Million Gross $1.7 Million (GF/GP)
30 FTE's
ROI: $25.0 Million Gross $6.6 Cost Savings

Managed Care Provider Overpayment Collection:
OIG will perform post payment evaluations of the contractor's network providers. Utilizing targeted evaluations on "high risk" providers for potential fraud, waste and abuse. OIG will facilitate overpayment recoveries directly from the contractor.

Beneficiary Utilization Fraud:

The Benefits Monitoring Program (BMP) monitors program usage to identify beneficiaries who may be over-utilizing or misusing Medicaid services and benefits. Those moved into the BMP ultimately cost the Medicaid program less by restricting payment authorization on services and/or prescriptions that are medically necessary.

OIG will preemptively identify beneficiaries for enrollment.

MDHHS Contact Info and Useful Links:

MDHHS Legislative Liaison: Karla Ruest
Phone: 517-373-1629

Website: www.Michigan.gov/mdhhs
Website: www.Michigan.gov/fraud