



Program Integrity Update

News from the Iowa Medicaid Program Integrity Unit and the Department of Inspection and Appeals Medicaid Fraud Control Unit

Spring 2014

This initial newsletter is intended to provide you with an overview of Program Integrity and the Medicaid Fraud Control Unit. In future newsletters, watch for information related to completed cases that will be part of the regular newsletter feature.

Medicaid Program Integrity Unit

Program Integrity (PI) is charged with reducing fraud, waste and abuse in the Iowa Medicaid program. Federal legislation under the Deficit Reduction Act (DRA) of 2005 and the Affordable Care Act (ACA) of 2010, as well as S.F. 357 enacted in 2013 by the 85th Iowa General Assembly has provided Iowa Medicaid PI with the tools and guidance to take action to reduce fraud, waste and abuse in the Medicaid program.

Medicaid Program Integrity Saves \$86 Million Over Three Years

In late October 2013, it was announced that the Iowa Medicaid PI initiative saved \$41 million in fiscal year 2013. The total three-year savings of the program integrity effort amounts to more than \$86 million. [Read More](#)

2013 Activities Stats

The Office of Inspector General (OIG) released a report in November 2012 about the trends and vulnerabilities in personal care services (PCS) reimbursed by Medicaid Programs. The OIG noted that in 2011, Medicaid costs for PCS totaled approximately \$12.7 billion, a 35-percent increase since 2005. Several Federal court decisions and Department of Health and Human Services policy initiatives aimed at providing more home and community-based options to Medicaid beneficiaries contribute to the increase in PCS use. The OIG advised that as more state Medicaid programs explore home care options like PCS, it is critical that adequate safeguards exist to prevent fraud, waste, and abuse in PCS and other important home care benefits.

In Iowa, PCS is reimbursed for members who are on a Medicaid Waiver as Consumer Directed Attendant Care Services (CDAC) or as PCS under the Consumer Choices Option (CCO). Because of the risks with PCS identified by the OIG, the Iowa Medicaid PI Unit and the Medicaid Fraud Control Unit (MFCU) are ensuring that CDAC and CCO providers are reviewed to ensure compliance with state and federal regulations.

Consumer-Directed Attendant Care:

- 77 cases opened in SFY 2013
- 19 cases closed in SFY 2013 w/no recoupment identified
- 8 cases closed in SFY 2013 w/overpayment identified

Consumer Choice Option:

- 28 cases opened in SFY 2013
- 6 cases closed in SFY 2013 w/no recoupment identified
- 3 cases closed in SFY 2013 w/overpayment identified

[Learn More about the Iowa Medicaid Program Integrity Unit](#)

Iowa Medicaid Fraud Control Unit

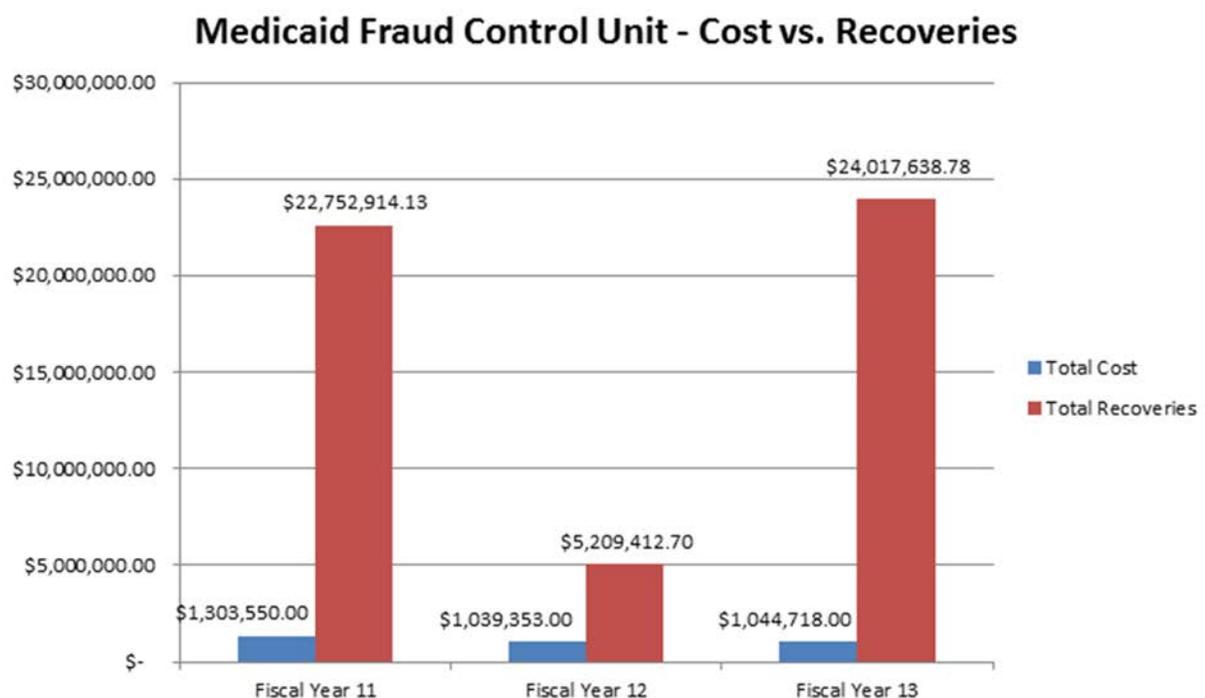
If PI suspects a provider has committed fraud or abuse, under 42 CFR § 455.23, PI refers the case to the Iowa MFCU. The Iowa MFCU is located within the Department of Inspections and Appeals (DIA). The Iowa MFCU has the responsibility for investigating: (1) allegations of fraud committed by providers against the Medicaid program, as well as, fraud in the administration of the Medicaid program; and (2) abuse/neglect and other crimes committed upon residents in care facilities throughout the state of Iowa.

Common types of Health Care Provider fraud include:

- Billing for services not rendered.
- Billing for a non-covered service as a covered service.
- Misrepresenting dates of service.
- Misrepresenting locations of service.
- Misrepresenting provider of service.
- Waiving of deductibles and/or co-payments.
- Incorrect reporting of diagnoses or procedures (includes unbundling).
- Overutilization of services.
- Corruption (kickbacks and bribery).
- False or unnecessary issuance of prescription drugs.

MFCU Activities Over Three Years

The Iowa MFCU has obtained 107 criminal convictions in the last three state fiscal years and an additional 31 criminal convictions so far in state fiscal year 2014. The PI Unit has collected more than \$51 million dollars in criminal restitution payments and civil case settlement dollars. The monies collected by the Iowa MFCU are returned to the Medicaid Program and the State General Fund. The MFCU does not conduct data mining and is dependent upon referrals. **The recovery amounts in the graph below vary between the three fiscal years because of the reduced number of referrals received by MFCU in fiscal year 2012.** In addition, the Iowa MFCU participates in the National Association of Medicaid Fraud Control Units (NAMFCU) national settlements. There were large NAMFCU settlements in fiscal years 2011 and 2013 which were not seen at the same level in fiscal year 2012.



Informational Letters on Program Integrity

- [Informational Letter 547](#)
Employee Policies Regarding Prevention and Detection of Medicaid Fraud and Abuse
- [Informational Letter 1183](#)
Annual Resubmission Requirements - Employee Policies Regarding Prevention and Detection of Medicaid Fraud and Abuse

Other Useful Program Integrity Resources

- [Federal Regulations for Program Integrity](#)
- [New Program Integrity Legislation signed in law by Governor Branstad](#)
- [Drug Diversion Compliance Toolkit](#) (The Prescriber's Role in Preventing the Diversion of Prescription Drugs)
- [Compliance Value for Dental Practice](#)
- [Blow the Whistle on Medicaid Fraud](#)

Other Questions? Contact the Program Integrity Unit at **1-877-446-3787** (toll-free) or **515-256-4615** (Des Moines area)

Program Integrity Update is a provider newsletter published by the Iowa Medicaid Enterprise. This update is provided in the spirit of information and education. The department shall not be liable for any damages that may result from errors or omissions in information distributed in this update.