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HEALTH FINANCE COMMISSION

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Authority: IC 2-5-23

MEETING MINUTES¹

Meeting Date: June 25, 2013
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St., the Senate Chambers
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Sen. Patricia Miller, Chairperson; Sen. Ryan Mishler; Sen. Vaneta Becker; Sen. Rodric Bray; Sen. Ed Charbonneau; Sen. Ron Grooms; Sen. Jean Leising; Sen. Pete Miller; Sen. Jean Breaux; Sen. Mark Stoops; Sen. Greg Taylor; Rep. Ed Clere, Vice-Chairperson; Rep. Steven Davlsson; Rep. Robert Behning; Rep. Suzanne Crouch; Rep. David Frizzell; Rep. Donald Lehe; Rep. Eric Turner; Rep. Dennis Zent; Rep. Charlie Brown; Rep. B. Patrick Bauer; Rep. Gregory Porter; Rep. Robin Shackelford.

Members Absent: Sen. Frank Mrvan; Rep. Ronald Bacon.

Chairperson Patricia Miller called the meeting to order at 10:05 a.m. and introduced the

¹ These minutes, exhibits, and other materials referenced in the minutes can be viewed electronically at <http://www.in.gov/legislative> Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies.

Commission members. Discussion ensued concerning subsequent dates the Commission would meet during the interim and the following dates were agreed upon: July 22, 2013, August 21, 2013, September 16, 2013, and October 22, 2013. All of the meetings will take place at the Statehouse beginning at 10:00 a.m.

Healthy Indiana Plan Update

Secretary Debra Minott, Family and Social Services Administration (FSSA), provided the Commission with enrollment information for the Healthy Indiana Plan (HIP). See Exhibit 1. Secretary Minott stated that there are 37,316 individuals currently enrolled in HIP: 25,179 caretaker adults, and 12,137 non-caretaker adults. Secretary Minott informed the Commission that the waiting list for HIP includes 52,931 individuals and consists only of non-caretaker adults. Secretary Minott stated that the HIP trust fund balance is currently \$304,000,000. Secretary Minott relayed to the Commission that a survey of current and former HIP members indicates strong approval of the program. See Exhibit 1.

Secretary Minott stated that, on April 15, 2013, FSSA submitted a request for a three-year extension of Indiana's HIP Medicaid waiver which is currently set to expire December 31, 2013. Secretary Minott testified that members of her office met with Cindy Mann, Centers for Medicare and Medicaid Services (CMS) on June 20, 2013, to discuss the renewal request. The HIP Medicaid waiver Secretary Minott stated that the meeting was encouraging and that FSSA hopes to hear from CMS sometime this summer concerning whether the HIP waiver will be extended as a demonstration project. When asked by a Commission member as to what concerns CMS expressed about the HIP waiver, Secretary Minott stated that CMS had concerns with the mandatory contribution requirement in the waiver and whether the contribution constituted payment of a premium. Secretary Minott stated that she addressed these concerns at the meeting with CMS and will continue to work on addressing and satisfying CMS' concerns. Secretary Minott testified that FSSA has contingency plans in place for both renewal of the HIP waiver and termination of the HIP waiver if CMS does not approve the renewal of the waiver. See Exhibit 1. When asked whether FSSA discussed expansion of the Medicaid program with CMS, Secretary Minott stated that the primary focus of the meeting was on continuing the HIP waiver for the current participants. Secretary Minott explained that Medicaid expansion through HIP would be given greater scrutiny by CMS because of the one hundred percent federal participation match and would be discussed at a later time.

Secretary Minott also addressed other Medicaid changes being required under the federal Affordable Care Act, including hospital presumptive eligibility, modified adjusted gross income methodology for eligibility, and single streamlined Medicaid applications. See Exhibit 1. Secretary Minott stated that these changes require process changes, application changes, computer changes, rule promulgation, and staff training, all on a compressed time line.

Update on Medicaid Waivers

Susan Waschevski, FSSA, provided the Commission with an update on the Aged & Disabled (A&D) Medicaid waiver and the Traumatic Brain Injury (TBI) Medicaid waiver. See Exhibit 2. Ms. Waschevski informed the Commission that FSSA has reduced the waiting list for the A&D waiver to zero, whereas there were 2,679 on the waiting list in July, 2012. Ms. Waschevski stated that there are currently 109 individuals on the waiting list for the TBI waiver. Ms. Waschevski stated that the A&D waiver provided services to 11,504 individuals in March 2013, and the TBI waiver provided services to 197 individuals in March, 2013. See Exhibit 2.

Nicole Norvell, FSSA, provided the Commission with an update on the Family Supports Waiver (FSW) and the Community Integration and Habilitation (CIH) waiver. Ms. Norvell informed the Commission that the FSW is a new waiver that was first implemented nine months ago, provides services to 6,212 individuals, and will be the first point of entry in the Medicaid Waiver system in Indiana. Ms. Norvell testified that the FSW offers participant assistance and care services and has a waiting list of 5,455. Ms. Norvell stated that the CIH waiver is a needs-based waiver that does not have a waiting list, allows for emergency priority placement, and provides services to 7,961 individuals. See Exhibit 2. Ms. Norvell provided that priority criteria includes loss of a primary caregiver, use of a caregiver that is over 80 years old, and services for individuals where there is evidence of abuse or neglect in the individual's current institution or home placement. Ms. Norvell stated that individuals on a waiver waiting list may access a web portal to update information and to determine where the individual is on the waiting list. See Exhibit 2.

John Dickerson, Arc of Indiana, stated that FSSA has transitioned the waiver waiting list from receiving a slot based on the length of time on the waiting list to providing a slot to individuals who are the most needy. Mr. Dickerson stated that this is a complicated process and that the Arc of Indiana will continue to work with FSSA on finding solutions to manage the process and to make the process more efficient.

June Holt, mother of an adult child who has a brain injury and who is on the A&D waiver, testified concerning services available in Indiana for individuals with brain injuries. See Exhibit 3. Ms. Holt informed the Commission that the A&D waiver does not provide services for behavior management, counseling, or residential based habilitation. Ms. Holt stated that she is disappointed that SB 15 from 2012, which created a brain injury treatment advisory committee, has not been implemented. See Exhibit 3.

John Cardwell, Indiana Homecare Task Force, discussed Indiana's lack of providing adequate home and community based services under Medicaid.

Medicaid Fraud

Shawn Walters, FSSA, described FSSA's role in coordinating with the Office of the Attorney General in researching and identifying Medicaid fraud, waste, and abuse within the Medicaid program. See Exhibit 4. Mr. Walters stated that FSSA includes a Bureau of Investigations that investigates Medicaid recipient fraud. Mr. Walters stated that the Medicaid program utilizes the Right Choices Program to identify and monitor members who utilize Medicaid more than other recipients based on statistical analysis and referrals. Mr. Walters provided the Commission with data concerning recoveries made in State Fiscal Year 2013. See Exhibit 4. Chairperson Miller requested follow-up information to be provided at the Commission's next meeting concerning FSSA's consumer fraud investigation procedures.

Allen Pope, Medicaid Fraud Control Unit (MFCU), Office of the Attorney General, stated that the MFCU has jurisdiction over provider Medicaid fraud, misappropriation of a Medicaid patient's private funds, and abuse and neglect of Medicaid patients. See Exhibit 5. Mr. Pope commented that MFCU is a law enforcement agency and a health oversight agency that is exempt from certain health record privacy laws. Mr. Pope stated that in 2012, MFCU investigations resulted in 30 criminal penalties, 116 licensing sanctions, and 44 civil judgments and settlements resulting in over \$52 million in collections. See Exhibit 5. Mr. Pope also discussed whistleblower statutes, stating that a whistleblower is entitled to 15% to 30% of the subsequent recovery. Mr. Pope stated that Indiana has 416 Medicaid whistleblower cases that are pending in multiple states (including 71 cases in Massachusetts) and that these cases take several years to litigate. Mr. Pope testified that

the passage of SB 559 in the 2013 legislative session will provide significant improvements in the investigation of Medicaid fraud. Mr. Pope provided the Commission with additional legislative changes that would assist in handling Medicaid fraud cases. See Exhibit 5.

Chairperson Miller reminded the Commission that the next Commission meeting will be on July 22, 2013 at 10:00 a.m. and adjourned the meeting at 2:30 p.m.



Update on Healthy Indiana Plan

Presentation to the Health Finance Commission

June 25, 2013

Debra Minott, Secretary FSSA





Healthy Indiana Plan—Key Statistics

- Trust fund balance: \$304 Million
- Enrollment update (as of 5/31/2012):
 - Current Enrolled members: 37,316 individuals
 - Caretaker Adults: 25,179 (67.5%)
 - Non-Caretaker Adults: 12,137 (32.5%)
 - Current Conditional members: 2,144
 - Current Pending applicants: 7,007
- Waitlist update (as of 5/31/2013):
 - 52,931 applicants on waitlist
 - Waitlist is for non-caretaker adults



Survey of HIP Members

- Mathematica Policy Research Survey—March 2013
- Interviewed 847 current members and 627 members who left program in 2012
 - Strong endorsement for design of program
 - >80% of members receiving preventive check-ups
 - >70% of members report NOT using the ER
 - 95% of members satisfied with their experience in HIP



HIP Waiver

- Complete request for 3-year extension submitted to CMS on April 15, 2013
- Met with CMS leadership in Baltimore on June 20
 - Encouraging signals on extending HIP as a demonstration project.
 - Further discussions on benefits, cost sharing, administration of lockout, and enrollment caps to ensue.
 - CMS sensitive to our concerns about timing.



Contingency Planning

- HIP continues:
 - Exploring operational enhancement to improve efficiency of administration.
 - Integrating HIP into Indiana's new application for assistance.
 - Improve member training on consumerism and use of POWER accounts.



Contingency Planning

- If CMS denies request to extend waiver:
 - Stop enrolling new members (August 2013).
 - Initiate plans to inform/transition current participants.
 - Modify contracts with health plans.



ACA Related Activities

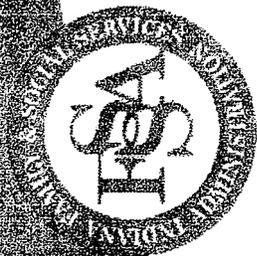
- Implement mandatory changes to Medicaid program
 - Hospital presumptive eligibility
 - Modified adjusted gross income methodology for eligibility
 - Single Streamlined Application
- Process changes
 - Taking Medicaid applications over the phone
 - Integration and Coordination with the federal exchange for Medicaid eligibility and premium tax credits
- Establish Indiana based navigator program with Indiana Department of Insurance to include those who complete Medicaid applications for others



Challenges

- Guidance from the federal government is slow and incomplete.
- These program and process changes require extensive modifications of our systems and building interfaces with the federal exchange and hub.
- Timelines are very compressed.

Questions

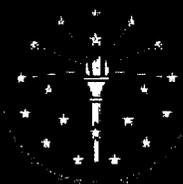




The Indiana Family and Social Services Administration

Waiver Update

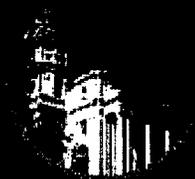
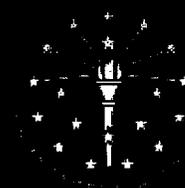
June 25, 2013





Aged and Disabled (A&D) Waiver Traumatic Brain Injury (TBI) Waiver

Susan Waschevski, DA Deputy Director

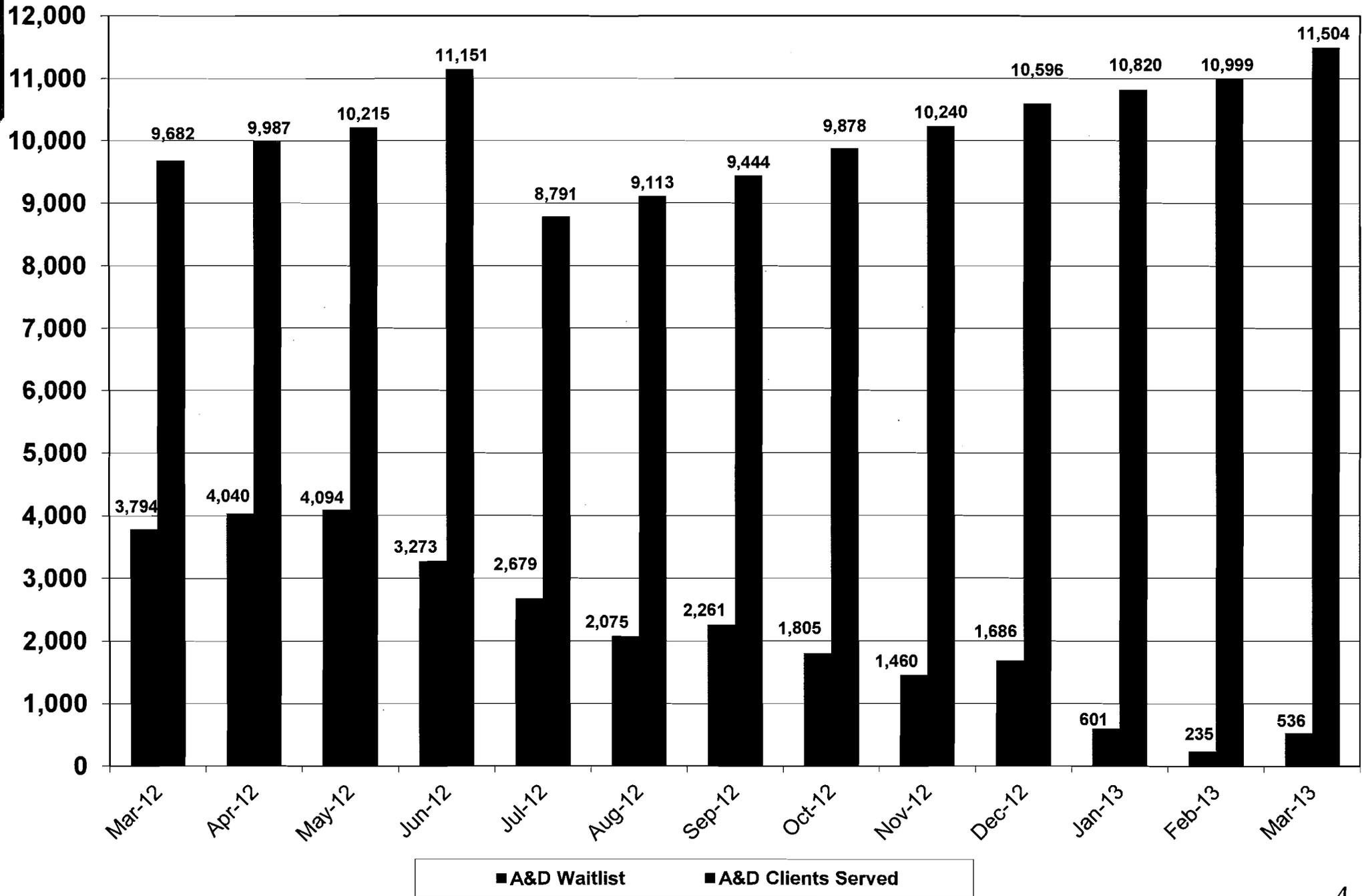




A&D Waiver: Waiting List History

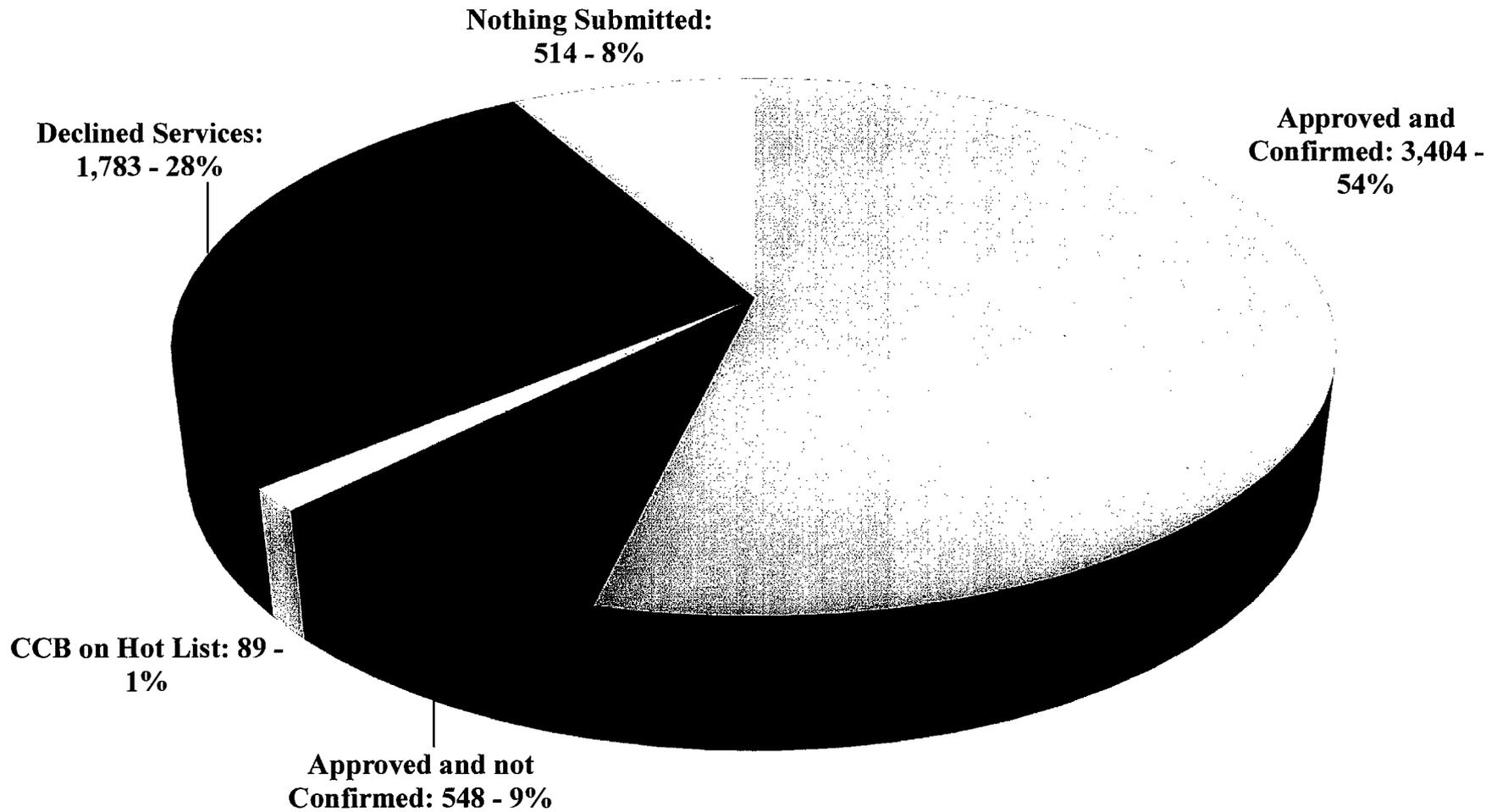
Measurement Time Period	Individuals on Waiting List
July 2010	3,368
July 2011	5,351
July 2012	2,679
June 2013	0

Aged & Disabled Waiver Client Wait List vs. Clients Served





Status of A&D Waiver Releases SFY 2013



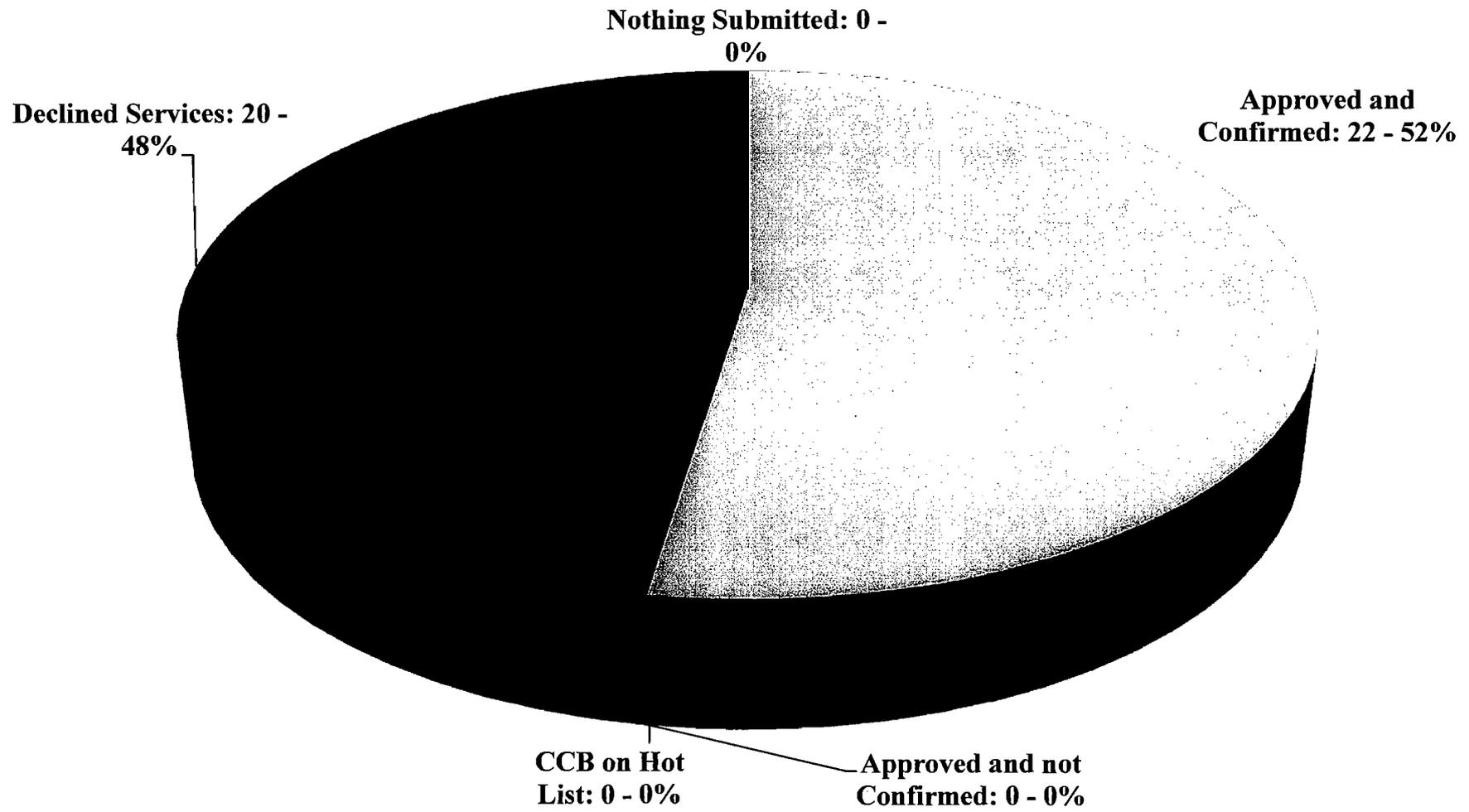


TBI Waiver Waiting List History

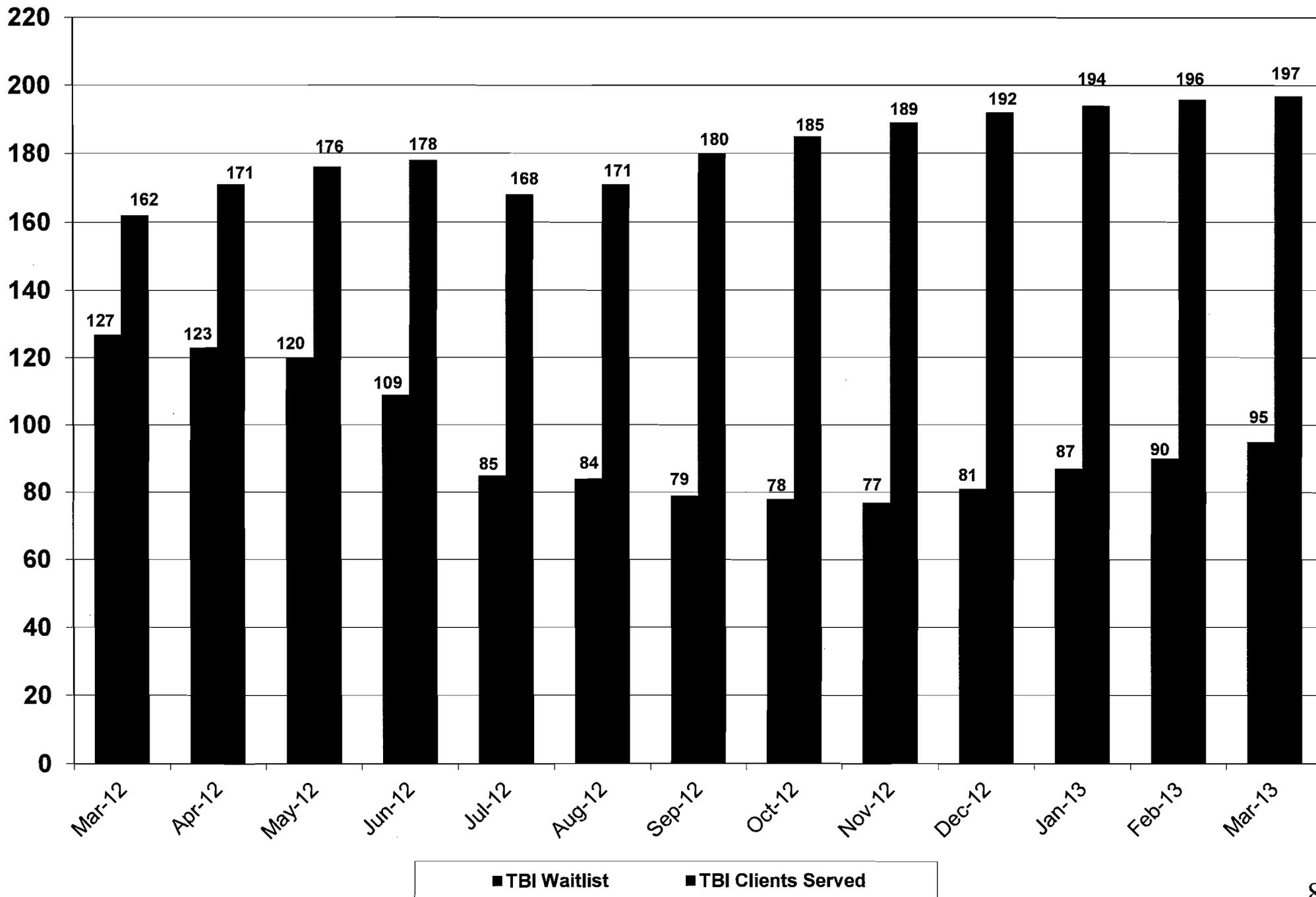
Measurement Time Period	Individuals on Waiting List
July 2010	129
July 2011	138
July 2012	109
June 2013	109



Status of TBI Waivers Releases SFY 2013



TBI Waiver Client Wait List vs. Clients Served





Questions?



Community Integration and Habilitation Waiver Family Supports Waiver

Nicole Norvell, DDRS Director





Family Supports Waiver (FSW)

- The Family Supports Waiver is the new first point of entry into the Medicaid Waiver system in Indiana.
- The amount of funding for individuals receiving the FSW is \$16,250 each year.
- The FSW now offers Participant Assistance and Care Service.



Community Integration and Habilitation Waiver (CIH)

- The CIH Waiver is a needs-based waiver, which means that an individual must meet one of the following emergency priority criteria to access this waiver.
 - Loss of primary caregiver
 - Caregivers over the age of 80
 - Evidence of abuse or neglect in current institutional or home placement
 - Extraordinary health & safety risk



Individuals Currently Served

Waiver Type	
Waiver Type	Individuals
Family Supports Waiver (FSW)	6,212
Community Integration and Habilitation Waiver (CIH)	7,961
Total	14,173



Individuals Entering the FSW Waiver

Waiver Year Apr. 1, 2013 - Mar. 30, 2014

FSW As of June 17, 2013	Slots approved by CMS	Total Slots Assigned	Total Remaining CMS Slots
Priority: 18-24 Current Graduates	240	53	187
Priority: State Line	5	2	3
Waitlist	1794	354	1440
Totals for FSW	2039	409	1630

Percentage of Total Slots Assigned for Waiver Year

20%

Months Remaining in Waiver year

9



Individuals Entering the CIH Waiver

Waiver Year Oct. 1, 2012 - Sept. 30, 2013

CIH As of June 17, 2013	Slots approved by CMS	Total Slots Assigned	Total Remaining CMS Slots
Crisis Management	0	3	-3
Health and Welfare Threatened	0	22	-22
Loss of Primary Caregiver	0	14	-14
>80 Year Old Caregiver	0	42	-42
Emergency Placement Priority	116	50	66
Large private ICF/ID	2	0	2
Aging out of DOE, DCS or Medicaid Res. Placement	37	25	12
No longer need/receive active treatment in group (W-198) home	2	9	-7
From 100% State Funded Budgets	10	24	-14
Nursing Facility		28	-28
From State Operated Facilities		0	0
From Extensive Support Needs Homes		7	-7
Total NF/SOF/ESN	45	35	10
From Autism to CIH (DD)	16	21	-5
Totals for CIH Priority as Approved by CMS	228	164	64
Percentage of Total Slots Assigned for Waiver Year			72%
Months Remaining in Waiver year			4



Individuals Targeted for the FSW

Waiver Year beginning April 1, 2013

Target Date	Individuals Targeted	Accepted	Declined	Returned/ Unable to locate	No response to date	Acceptance Rate
Apr-13	400	310	22	68	0	78%
May-13	400	290	21	19	70	73%
Jun-13	400	72	3	2	323	*18%
Total	1200	672	46	89	393	*56%

* Please note that individuals have 45 days to respond. The 45 days for May and June have not expired.



Waiver Waiting List Update

- Individuals on the DDRS Medicaid Waiver Waiting List receive a targeting letter from the BDDS office.
 - Those that receive the targeting letter are also then contact via phone from a BDDS Generalist to ensure they received the letter, provide assistance with any questions, and set up an appointment for the individual and/or family.
 - BDDS has seen an increase of approximately 28%, in the last three months, in response rate since implementing the process to have the BDDS Generalist contact each consumer.



Waiver Waiting List Update

To better serve consumers on the Family Supports Waiver waiting lists, DDRS has developed the BDDS Waitlist Web Portal. The Portal will allow for consumers or their guardians to review and update the contact information and waiver application dates the Bureau of Developmental Disabilities Services has on record.

	State of Indiana Division of Disability and Rehabilitative Services Division of Aging	
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Consumer Information
Note: You may enter either the (partial) SSN of the consumer **OR** their Dart-ID (if known) in the first line.
In addition, the First Name, Last Name and DOB values of the consumer are **ALL** required.

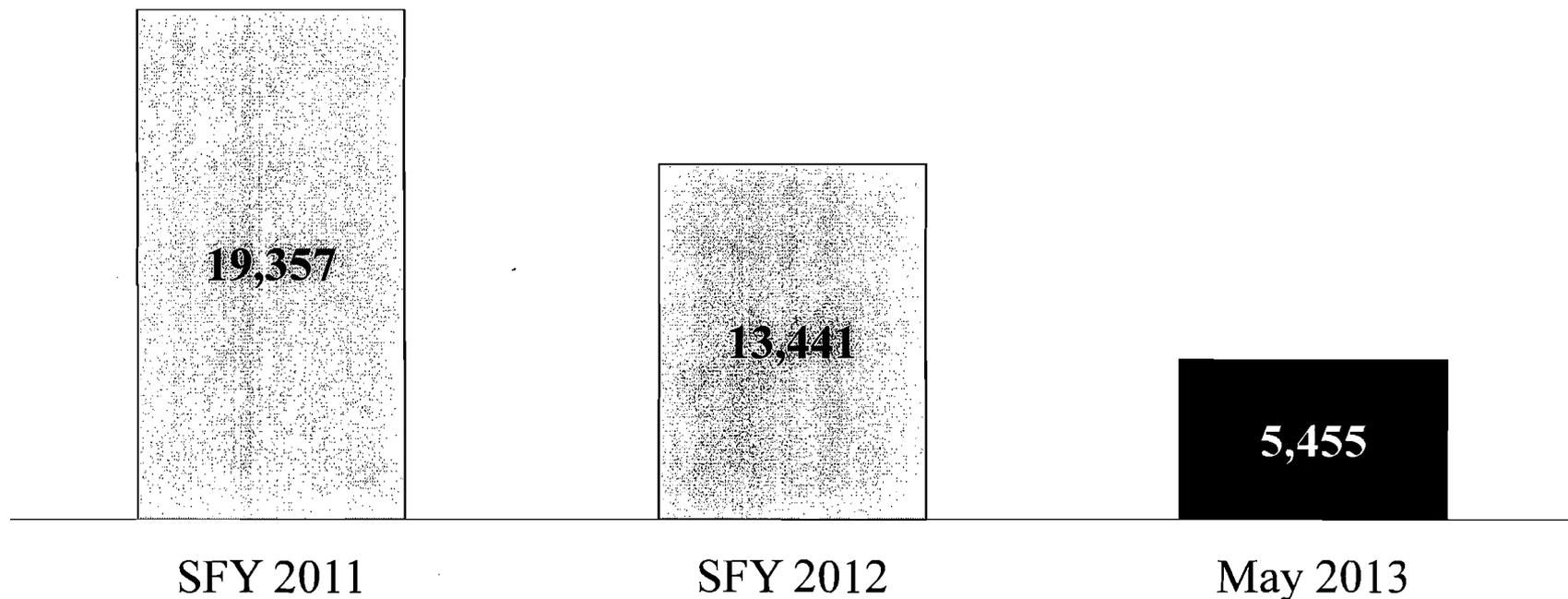
SSN (last 4 digits):	<input type="text"/>	Dart-ID:	<input type="text"/>
First Name:	<input type="text"/>	Last Name:	<input type="text"/>
DOB (mm/dd/yyyy):	<input type="text"/>		
Requested by:	[Select]		
Requestor First Name:	<input type="text"/>	Requestor Last Name:	<input type="text"/>

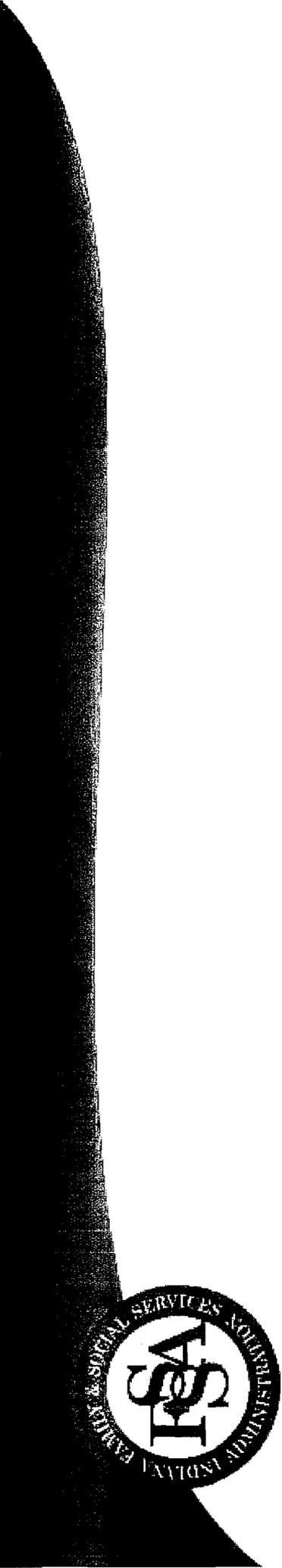


Waiver Waiting List Update

□ Number of individuals on the Waiver waiting list

■ Number of individuals on the FSW waiting list





Questions?

Health Finance Commission, June 25, 2012

June Holt

(mother of a person with Acquired Brain Injury (ABI) (Brain tumor)

The Generations Project

jholt@generationsproject.org

I want to thank the Division of Aging for applying for and managing the TBI Waiver.

I want to point out to this committee that Indiana provides very few services to help brain injury survivors reconnect to their communities through rehabilitative, pre-vocational, vocational, educational, recreational and social opportunities. The TBI waiver does not fill all of these needs.

Many people with TBI receive services through the A/D Waiver which does not provide behavior management/behavioral program and counseling, residential based habilitation, structured day program or supported employment -- all these services are provided on the TBI waiver. I would like to see these services become available to anyone who has a brain injury and is on any waiver.

I would also like to talk about a law that was passed by the General Assembly in 2012: Senate Enrolled Act 15. This law directed the ISDH and FSSA to study the current brain injury services offered in Indiana and to determine any deficiencies in the provision of these services. It instructed these agencies to determine how to implement additional brain injury services including neurobehavioral rehabilitation programs in Indiana. We are still sending our loved ones out of state to receive this level of care. The law listed 5 items that were to be included in the study. One was to determine whether existing Medicaid waivers should be amended to increase the number of individuals covered under the waivers or the number of services provided under the waivers and to determine what those amendments should be. A brain injury treatment advisory committee was established by this law to assist FSSA with this study. The committee was never appointed and, as far as I am aware, nothing was ever done by FSSA, ISDH or the state administration to implement this law. The final section of this bill expires July 1, 2013.

I am deeply disappointed as a mother and as an advocate that the provisions of this law were ignored. Indiana needs to do better in responding to the rehabilitative needs of Hoosier civilians and returning service members who are struggling to build new lives after brain injury. These survivors need to receive rehabilitation and services in the state they live in and in the communities they love.

New estimates determined from 2009 data suggest that 3.5 million TBIs occur each year in the United States, not the 1.7 million that was previously thought to happen.¹ Extrapolating from this number we could assume that over 70,000 TBIs occur in Indiana every year. Traumatic brain injury is a public health crisis.

¹Trends in Traumatic Brain Injury in the U.S. and the public health response: 1995-2009. Coronado VG, McGuire LC, Sarmiento K, Bell J, Lionbarger MR, Jones CD, Geller AI, Khoury N, Xu L. Source: Centers for Disease Control and Prevention, National Center for Injury Prevention and Control, Division of Injury Response. vgc1@cdc.gov



The Indiana Family and Social Services Administration

Program Integrity Efforts
Health Finance Commission
Shawn Walters, COS
June 25, 2013





State Agencies Involved in Provider and Member Fraud Prevention

- The Family and Social Services Administration (FSSA) and the Attorney General's office work together to coordinate efforts to research and identify fraud, waste, and abuse among Indiana's Medicaid recipients and providers targeting those who present the highest risk to the program.



Prosecutions and Restitutions

- Member Fraud
 - Bureau of Investigations (BOI) substantiated 57 Medicaid Fraud Cases during SFY2013.
 - 11 received felony convictions.
 - Court ordered restitution totaling \$58,002.



New Tools in Member Fraud

- SEA559 provides a new tool to combat member fraud starting July 1, 2013.
 - A person convicted of a criminal offense related to the application for or receipt of Medicaid assistance will be ineligible to receive Medicaid assistance for the following time periods:
 - 1 year for the first offense
 - 2 years for the second offense
 - 10 years for the third and subsequent offense
 - A person may be removed from receiving assistance for one year if there is substantiated evidence that the person committed fraud concerning the application for or receipt of Medicaid assistance.



Member Misrepresentation and Overutilization

- The Right Choices Program (RCP) identifies members who utilize Medicaid services more excessively than their peers.
- There were 2,715 members in the program as of May 31, 2013.
- Members are identified for RCP services based on:
 - Statistical analysis of cost and utilization data.
 - Referrals made by medical providers, pharmacies, and state or local law enforcement.



Systematic Approach to Combating Improper Provider Payments

FIGHTING FRAUD, WASTE, AND ABUSE

Prevention



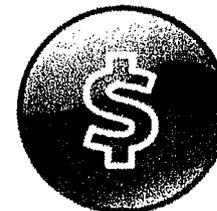
Detection/
Analysis



Reporting



Recovery





Program Integrity Strategy

- Expand Program Integrity Efforts in Indiana
 - Collaborative Approach – Multiple agencies working alongside Fraud and Abuse Detection System (FADS)-Truven Health Analytics.
 - Program Integrity maintains complete oversight of Indiana's FADS contract.
 - Coordination with all divisions before pursuing recoveries to eliminate audit duplication.
 - Data mining in addition to responding to referrals.
 - Provider outreach, education materials, and training sessions.



SFY2013 Program Integrity Accomplishments

- 29 algorithms completed to date
- Audits initiated
 - 406 analytic without medical record review
 - 120 financial (credit balance, long term care-member related cost report)
 - 77 medical record review
 - 180 self-audit
 - 3 on-site
- 19 referrals to Indiana Attorney General's Medicaid Fraud Control Unit
- \$2.46M in total overpayments identified in SFY2013



Recoveries for SFY2013 (Through May 31)

Program	SFY2013 Dollars
Third Party Liability	\$ 109,919,290
Estate Recovery	\$ 9,567,886
Pharmacy Audits	\$ 1,506,640
Surveillance and Utilization	\$ 2,362,489
Long Term Care	\$ 4,133,401
Total Program Integrity Efforts	\$ 127,489,706

SFY 2012 Total Recoveries: \$ 125,573,082



Prevention

- Provider Education
 - Educational seminars, bulletins, banners and newsletters
 - Webinars
 - <http://www.indianamedicaid.com/>
- Provider Enrollment
 - Providers categorized by type as high, moderate, low risk.
 - Screening requirements vary by risk category.
 - All providers will be re-enrolled by 2015.
 - Providers rescreened at least every five years.
 - SFY2013 post and pre-enrollment site visits
 - 32 provider applications rejected.



New Tools in Provider Enrollment

- SEA 559 provides the following Provider Enrollment improvements beginning July 1, 2013:
 - Pre-enrollment site visits for moderate or high risk provider applicants.
 - Site visits for enrolled high risk providers if claims have increased by at least 50% over a six month period.
 - Criminal background of all owners with more than 5% interest in a high risk provider and board members of non profits.
 - Transportation providers must provide a \$50,000 surety bond at the time of application as a new provider, after a change in ownership or after the purchase or transfer of assets.
 - Exemptions: 501(c)(3), Discretion of the secretary if provider does not pose a significant risk or in a designated underserved area, Pharmacy, Hospital, Required under federal law.



Prevention

- National Correct Coding Initiative
 - Through SFY2013, 3rd quarter, \$12,250,188 in cost savings
- Prepayment Review
 - Validating claims before payment is made.
 - 98 providers in pre-payment review program in SFY2013
 - 0.2% providers
- Payment Suspensions
 - Mandatory payment suspensions as a result of a credible allegation of fraud determination
 - 17 provider payment suspensions in SFY2013



Credible Allegation of Fraud (CAF) Tool

- Federal regulation requires that no payments be made to providers when there is a pending investigation of a credible allegation of fraud.
- Developed by the Indiana FADS team to objectively identify providers who pose a significant risk to the Medicaid program.
- The CAF tool is used to evaluate referrals received from MFCU, FSSA, HHS-OIG, or the general public to determine what further action is warranted.
- Examples of evaluation criteria included in CAF tool:
 - Billing
 - Exclusions list
 - Prior convictions
 - CLEAR reports
 - INSPECT reports
- The objective scoring from the tool may result in no action or any combination of the following: prepayment review, payment suspension, or an audit.



Questions

**Office of Indiana Attorney
General Greg Zoeller**

**The Indiana Medicaid
Fraud Control Unit**

Allen K. Pope
Director

- The Medicaid Fraud Control Unit
- Potential Fraud-Fighting Improvements for Discussion
- Why Medicaid Inherently Vulnerable to Fraud

Overview

- 1964, Medicaid, Medicare
- 1978, Medicaid Fraud Control Units
- 1982, Indiana's MFCU

**Federally Funded Charitable
Healthcare In Indiana**

IC 4-6-10-1.5(1)

- (A) Medicaid fraud;
- (B) misappropriation of a Medicaid patient's private funds;
- (C) abuse of Medicaid patients; and
- (D) neglect of Medicaid patients; and

MFCU Investigative Jurisdiction

- 53 Total
- 12 Attorneys
- 23 Investigators
- 2 Nurse Investigators
- 3 Auditors
- 2 Information Technology Professionals
- 11 Other

Staff

- An MFCU is a Health Oversight Agency
- It may obtain and share Protected Health Information without notifying patients or getting their permission.



HIPAA

- MFCU Budget: \$4 million (25% state, 75% federal grant)
- The MFCU is a law enforcement agency, not a collections agency.
- Collections in Calendar Year 2012: \$52,340,097.87

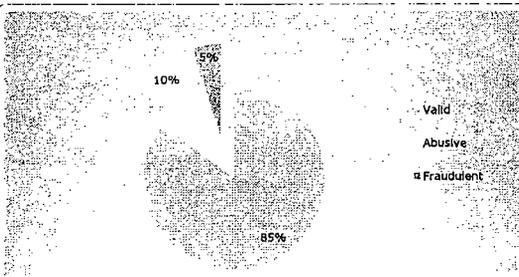
MFCU Collections

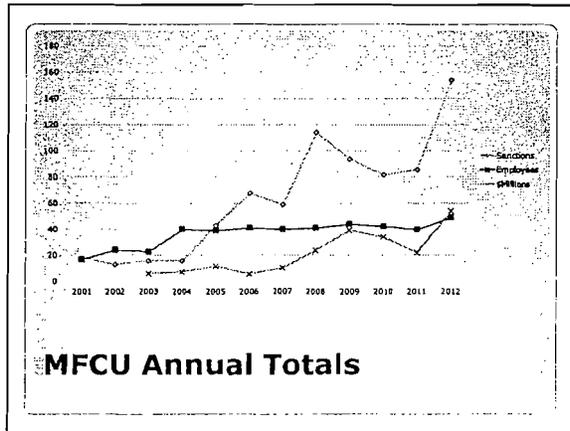
Penalties and Sanctions
Calendar Year 2012

Criminal Penalties	30
Licensing Sanctions	116
Civil Judgments and Settlements	44
Dollars Collected	\$52,340,098

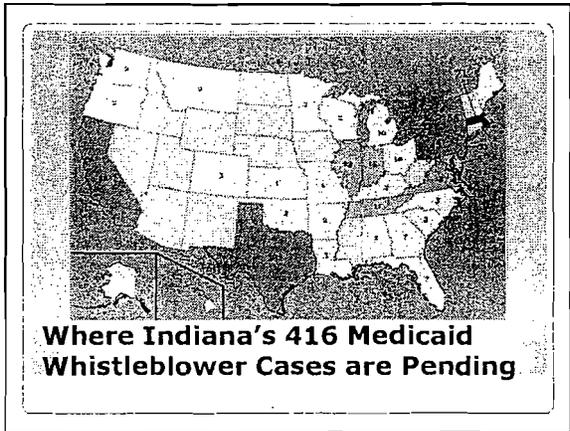
2012 Penalties and Sanctions

Estimated Abusive and Fraudulent Billing





- Adopted in 2005.
 - Medicaid FCA split from general FCA this year to accommodate mandated changes.
 - Whistleblowers entitled to 15% to 30% of recoveries.
 - Typically require several years to litigate.
- Indiana's False Claims Act**



- Eight DAGs carry whistleblower litigation in their caseload.
- National Association of Medicaid Fraud Control Units coordinates national network of assistance.
- Small volunteer teams representing several state MFCUs investigate each qui tam and share results with other MFCUs.

NAMFCU

- SB 559 already made some improvements, changing the seal from 120 days to 60
- matching the federal false claims act, eliminating delays and confusion in federal cases that also included state law claims.

Additional Medicaid FCA Changes

- Requires surety bond for new transportation providers
- A new Medicaid-specific false claims statute
- Made certain changes necessary for the state to maintain its bonus share of false claims recoveries
 - The state is reimbursed in the approximate amount of a Medicaid relators' fees, if the state false claims act is as beneficial to the relators as the federal act.

Senate Bill 559

- Long-term changes that we think will provide additional efficiencies and clarifications to the law to assist in our efforts to recover state funds.

Additional Beneficial Improvements

- Additional changes will
 - better facilitate handling of these cases in federal courts
 - bring more consistency to the timeframes
 - bring more consistency to procedural requirements
 - bring more consistency to provisions allowing for enforcement of investigative demands

Additional Medicaid FCA Changes

- Those changes could include:
 - clarification that the AG cannot be dismissed out of a case when the office has not yet exercised right to intervene
 - MFCU-specific civil investigative demand provisions that are more conducive to how false claims act cases are investigated and litigated
 - language to ensure that emails are included within the scope of *documentary material* that can be obtained through civil investigative demands

Additional Medicaid FCA Changes

- Those changes could include:
- language that directs CID recipients to produce documents as they're kept in the normal course of business and in their native format, which is how they're most useful to investigators and how they are generally maintained using current technology
- provisions that trigger automatic medical and occupational licensing consequences based on criminal convictions or false claims judgments or settlements involving Medicaid fraud

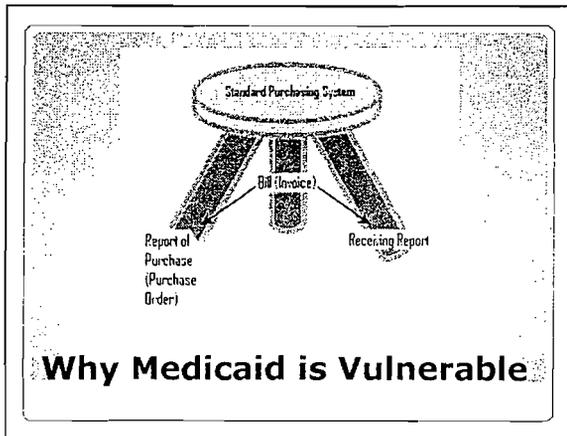
Additional Medicaid FCA Changes

- Those changes could include:
- enhancements to summary suspension authority of medical licensing boards in situations where Medicaid provider's actions threaten public health and safety
- provisions that allow courts to limit unrestricted participation in false claims cases by the whistleblower or relator if unrestricted participation would otherwise serve to harass the defendant or cause them undue burden or unnecessary expense

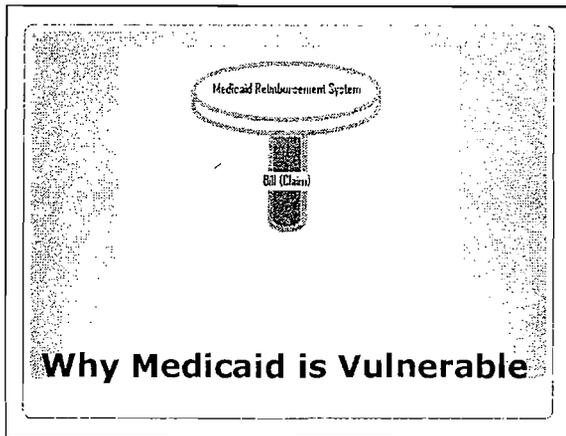
Additional Medicaid FCA Changes

- Three types of Medicaid fraud
 - Billing for services not rendered
 - Up-coding
 - Billing for medically unnecessary services

Why Medicaid is Vulnerable to Fraud



Why Medicaid is Vulnerable



Why Medicaid is Vulnerable

• Medicaid's "Any Willing Provider" Requirement

- Providers generally cannot be excluded from the program without a valid, express cause.
- This is the Medicaid counterpart to the competitive bidding requirement for public works projects.

Why Medicaid is Vulnerable

- FSSA and OMPP
- We work with FSSA every day.
- We meet formally twice per month.
- Primary source of our best criminal fraud referrals.

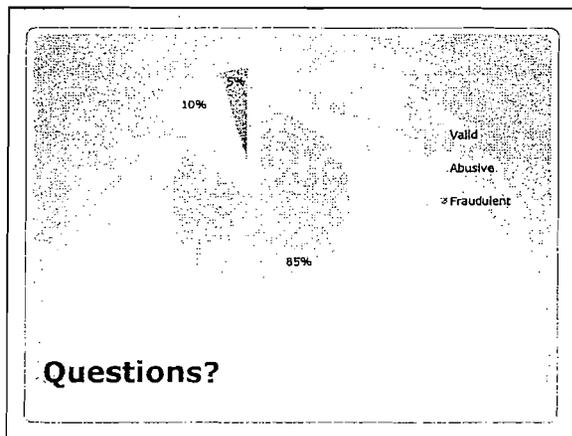
The MFCU's Most Critical Partner

- As of June 17th federal law allows MFCUs and Medicaid agencies to cooperate in more high-tech investigative screening tools to identify patterns of fraud.
- Already have an agreement in principle for this which will soon be included in our MOU.

The MFCU's Most Critical Partner

- OMPP also excludes providers who have engaged in fraud.
- We expect to continue to partner with them in using that very effective fraud prevention tool.

The MFCU's Most Critical Partner



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