



# **SANDHILLS CENTER**



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# Program Integrity Overview



# What is Program Integrity?

- The Program Integrity Department investigates cases involving fraud, waste, and abuse of the Medicaid program.
- As part of the MCO's contract with DMA, PI functions are delegated to the MCO.

# Fraud

- Intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself, some other person, or organization
- Includes false statements, misrepresentation, and concealment of information

# Examples of Fraud

- Billing for services not provided
- Making false statements on a credentialing application
- Upcoding (billing for a more expensive service than what was provided)
- Making false statements about a client's condition in order to qualify him for services
- Receiving or offering money or goods in exchange for referrals or enrollment in services (i.e. kickbacks)



Healthcare fraud is illegal  
and can result in  
felony charges!



# Waste

- The misuse of services that results in unnecessary costs but does not lead to improved healthcare outcomes
- Not generally caused by criminal negligence



# Examples of Waste

- Providing more services than necessary for favorable outcomes
- Failure to attempt less restrictive services before more restrictive services
- Utilizing a higher cost treatment when a lower-cost treatment can produce the same outcomes
- Duplicating services the client is receiving from another provider



# Abuse

- Provider practices that are inconsistent with sound fiscal and medical practices that result in unnecessary costs to the Medicaid program
- Includes services that are not medically necessary or fail to meet professionally recognized healthcare standards



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# Examples of Abuse

- Providing services that are not medically necessary
- Using treatments that are not evidence-based
- Providing services you are not qualified to provide
- Cut and pasted or “canned” service notes
- Failure to adhere to the requirements of the service definition
- Failure to provide the proper quality of care

Wasteful and abusive  
practices can lead to  
paybacks and potential  
civil action!



# PI Process

Referral



Screening



Investigation or Review



Findings



Recommendations



Action



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# How We Get Referrals

- Complaints
  - Internal
  - External
- Verification of Benefits Letters
- DMA and MID
- Claims Analysis
- Notable Trends

# Investigations

- Complaints are confidential both in complainant and in content.
  - We cannot tell you the reason we have been asked to look into your agency.
- Not all reviews will be done onsite.
- Our onsite visits are unannounced.
  - We cannot prearrange a scheduled visit.
- During onsite visits, we attempt to minimize disruption.



# Investigation Results

- Investigation material is considered confidential and will not be released to the provider unless required by law, rule, or policy.
- If there are no findings, the provider will be notified by mail.
- Investigation findings may be referred to DMA for further investigation.
- If Sandhills issues sanctions, providers will receive written notification.
- There is no definitive timeframe in which providers will receive notification of the outcome.

# What Providers Can Do

- Cooperate with the investigation
  - NC General Statute and the provider contract obligate cooperation.
- Self-Audit
  - Providers can identify internal fraud, waste, and abuse and reimburse Sandhills within 60 days.
- Educate your staff
- Adhere to service definitions and treatment standards
- Know clinical coverage policies, applicable rules/laws, and documentation standards



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# Some Trends - 2016

- OPT remained the most referred service.
- Innovations referrals again increased.
- Billing services not provided remained the most common reason for referral.
- More than half of the referrals were for providers in Guilford County.
- 93% of cases reviewed resulted in no sanctions.

# How to Make a Referral

- Call 1-800-256-2452 to file a complaint
- Call or Email the PI Director, Sarah Glanville
  - (336) 389-6236
  - [sarahg@sandhillscenter.org](mailto:sarahg@sandhillscenter.org)
- Complete the DMA confidential online complaint form
  - <https://www2.ncdhhs.gov/dma/fraud/reportfraudform.htm>
- Call the Attorney General's Medicaid Investigation Division at (919) 881-2320

# Useful Resources for Providers

- Office of the Inspector General  
“Compliance 101”
  - <https://oig.hhs.gov/compliance/101/index.asp>
- CMS Fraud Prevention Toolkit
  - <https://www.cms.gov/Outreach-and-Education/Outreach/Partnerships/FraudPreventionToolkit.html>

Questions?

# References

- 42 CFR 438 (Managed Care)
- 42 CFR 455 & 456 (PI & Utilization Control)
- 31 USC 3729-2733 (False Claims Act)
- 42 USC 1320 (Anti-Kickback Statute)
- N.C.G.S. 108A-63 (Medical Assistance Provider Fraud)
- N.C.G.S 108C (Medicaid and Health Choice Provider Requirements)
- 10A NCAC 22F (Program Integrity)
- NHCAA SmartBrief