

## AHCCCS PROGRAM INTEGRITY PLAN 2019

### INTRODUCTION

Arizona Health Care Cost Containment System (AHCCCS), the State's Medicaid Agency, uses federal, state, and county funds to provide health care coverage to the State's low income groups, acute, and long-term care Medicaid population. AHCCCS was established as a mandatory managed care program that makes prospective capitation payments to contracted health plans responsible for the delivery of care. In 2018, AHCCCS is expected to spend over \$12 billion providing health care coverage to over 1.9 million Arizonans through a network of over 70,000 providers.

The Centers for Medicare and Medicaid (CMS) policy defines Medicaid Program Integrity as the "...planning, prevention, detection, and investigation/recovery activities undertaken to minimize or prevent overpayments due to Medicaid fraud, waste, or abuse." In keeping with the comprehensive nature of this definition, AHCCCS believes that Program Integrity is an important component of the overall agency Strategic Plan.

### ENVIRONMENTAL SCAN or SITUATIONAL ASSESSMENT

AHCCCS continues to evaluate and implement Program Integrity strategies to address the growing number of Arizonans receiving Medicaid.

AHCCCS continues to expand on processes related to a Payment Modernization. AHCCCS and our contracted plans are spending considerable time and effort on strategies to move away from a traditional fee-for-service arrangement to better aligned reimbursement systems. AHCCCS continues to increase requirements on our contracted plans in terms of value based payment structures. These requirements will continue to escalate in the future.

Additionally, AHCCCS continues to be involved in efforts nationally by Medicaid Directors to engage CMS on establishing more collaborative, focused, and efficient program integrity efforts. Given the changing landscape of the entire healthcare system and the challenges associated with implementation of new mandates, the AHCCCS Administration is developing the 9<sup>th</sup> Annual Program Integrity Plan. The plan summarizes previous accomplishments and identifies new strategies to ensure the best possible use of limited resources.

Given the current fiscal environment at both the state and federal level, and the size of the AHCCCS program, Program Integrity efforts are critical if maximum dollars are to remain available to serve individuals in need.

### PROGRAM INTEGRITY MISSION

Throughout the Agency, promote economy, efficiency, accountability, and integrity in the management and delivery of services in order to ensure that AHCCCS is an effective steward of limited resources.

### SFY 2018 KEY ACCOMPLISHMENTS

- AHCCCS realized over \$1 billion in avoided and recovered costs as a result of coordination of benefits, third party recoveries, and Office of the Inspector General (OIG) activities.
- AHCCCS supported the investigations of 56 successful prosecutions of either members or providers.
- Civil Monetary Penalties were issued in SFY 2018 amounting to \$2,524,500.00 in sanctions.

### AHCCCS Recovery, Savings and Cost Avoidance

	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018	% Change SFY17-SFY18
<b>Coordination of Benefits</b>						
Total Commercial COB	\$ 125,064,195	\$140,400,878	\$139,477,139	\$154,406,428	\$159,429,541	3%

Total Medicare COB *	\$ 1,055,239,043	\$991,531,425	\$1,092,768,200	\$1,016,033,450	\$920,427,332	-9%
<b>Total COB Cost Avoidance</b>	<b>\$ 1,180,303,238</b>	<b>\$1,131,932,303</b>	<b>\$1,232,245,339</b>	<b>\$1,170,439,878</b>	<b>\$1,079,856,873</b>	<b>-8%</b>
<b>Third Party Liability</b>						
Total Recoveries **	\$ 11,905,088	\$8,843,418	\$8,962,935	\$10,312,326	\$17,379,240	69%
Total Distributions	\$ 9,976,724	\$7,348,805	\$7,673,665	\$8,717,479	\$14,942,144	71%
<b>Net Recoveries from TPL</b>	<b>\$1,928,364</b>	<b>\$1,494,613</b>	<b>\$1,289,270</b>	<b>\$1,594,847</b>	<b>\$2,437,096</b>	<b>53%</b>
<b>Office of Inspector General (OIG)</b>						
Provider Fraud Unit Recoveries and Savings***	\$24,033,483	\$11,934,312	\$20,164,329	\$20,227,672	\$40,203,564	99%
Member Fraud Unit Recoveries and Savings****	\$34,217,415	\$26,210,174	\$20,630,361	\$12,071,508	\$13,100,072	9%
<b>Total OIG Recoveries</b>	<b>\$58,250,898</b>	<b>\$38,144,487</b>	<b>\$40,794,690</b>	<b>\$32,299,180</b>	<b>\$53,303,636</b>	<b>65.03%</b>
<b>Incarceration No Pay+</b>						
<b>Incarceration Total Capitation Cost Avoided</b>		<b>\$26,006,071</b>	<b>\$27,923,926</b>	<b>\$24,445,316</b>	<b>\$33,106,562</b>	<b>35%</b>
<b>FFS Audit Savings+</b>						
<b>Total FFS Audit Savings</b>		<b>\$2,366,468</b>	<b>\$439,483.02</b>	<b>\$136,656</b>	<b>\$239,936</b>	<b>76%</b>
<b>RECOVERY/COST AVOIDANCE TOTAL</b>	<b>\$1,240,482,500</b>	<b>\$1,199,943,942</b>	<b>\$1,302,692,708</b>	<b>\$1,228,915,877</b>	<b>\$1,168,944,103</b>	<b>-5%</b>

- \* Excludes identified reporting errors; SFY 2011 includes 2 previously excluded MCOs
- \*\* Includes estate, trust, and casualty recoveries for fee-for-service and joint case reinsurance payments
- \*\*\* Report of Provider Fraud Unit results (includes global settlements & Savings)
- \*\*\*\* Report of Member Fraud Unit results (includes Social Security leads)
- + Added to this report in FY2015

## 2019 PROGRAM INTEGRITY STRATEGIES

### 1. Pursue initiatives to increase TPL program recoveries

- a. Pursue MCO Come-Behind recoveries from commercial insurers that have not been made by the MCOs within two years of the date of service.
  - i. Work with HMS to pursue recoveries and develop reports.
  - ii. Evaluate results and make any adjustments needed.

### 2. Share of Cost (COS)

- a. Implement income reporting process standards to reduce share of cost errors.

### 3. Identify Fraud, Waste and Abuse

- a. Continue to increase the footprint of the AHCCCS OIG by maintaining a presence on task forces:
  - AGO - Tucson
  - SSA, OIG, TF – Phoenix

Increase savings and recoveries by 10% on each task force
- b. Increase program integrity efforts through mutual Medi-Medi case development
  - i. Work with Medi-Medi Unified Program Integrity Contractor (UPIC) to collaborate on case development which increases savings and recoveries by 10% over FY 2018.
  - ii. Set forth metrics to demonstrate success of program

- c. Develop and implement processes to expand Civil Monetary Penalties (CMP) to include member cases.
    - i. Strengthen member integrity through the development of a CMP process
    - ii. Refine HEAPlus data analytics to increase HEAPlus data analytic leads for OIG
  - d. Increase footprint of AHCCCS OIG with other Law Enforcement agencies. Work to develop a data system to establish the baseline.
- 4. Refine Creditable Allegations of Fraud (CAF) process**
- a. Create a tracking tool to monitor CAFs
- 5. Identify Fraud, Waste and Abuse vulnerabilities**
- a. Work with DHCM Compliance Unit to improve MCO recoveries and/or recoupments. Jointly assess if MCO recoupments are appropriate
  - b. Work with DFSM Audit Unit to identify FWA in FFS program. Track and report savings and recoveries through FFS audits
  - c. Enhance education of providers, plans and members with materials developed in partnership with OIG, DFSM, DHCM and DMS to eliminate Fraud, Waste and Abuse.
    - i. Complete inventory of training materials and establish ability to track dissemination
    - ii. Train workers to identify Fraud, Waste and Abuse and assist staff with understanding what to identify as potential Fraud, Waste and Abuse
- 6. Pharmacy Fraud Investigations Team (PFIT)**
- a. AHCCCS OIG to work with police organizations in Arizona
    - i. Identify how many police departments develop a Point of Contact for opioid issues in their jurisdiction
    - ii. Expand capabilities to identify abusive Opioid providers and prescribers by increasing PFIT cases by 10%
- 7. Technology**
- a. Implement ACH payment portal for providers and members related to approved settlement agreements
  - b. Implement Provider Registration Portal
  - c. Automate Public Assistance Reporting Information System (PARIS)
  - d. Implement Asset Verification System (AVS)
- 8. Audits and Reviews**
- a. Conduct three Program Integrity Audits in FY 2019
  - b. Conduct ongoing NEMT audits
  - c. Complete six audits – Dentistry, Podiatry, Global OB, Anesthesia, Outpatient, Pharmacy
  - d. Utilize audit findings from SFY 18 to establish training and billing manual updates