

## **AHCCCS PROGRAM INTEGRITY PLAN SFY 2012**

### **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 acute and long-term care Medicaid population, low income groups, and small businesses. Unlike programs in other states that rely solely on fee-for-service reimbursement, AHCCCS makes prospective capitation payments to contracted health plans responsible for the delivery of care. In State Fiscal Year (SFY) 2012, AHCCCS is expected to spend approximately \$8.5 billion providing health care coverage to over 1.2 million Arizonans through a network of over 50,000 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 all operational departments.

### **ENVIRONMENTAL SCAN or SITUATIONAL ASSESSMENT**

Given current fiscal challenges, Program Integrity efforts are critical if maximum dollars are to be used to serve individuals in need. The State of Arizona continues to manage through an unprecedented budget crisis. The agency has had to make billions of dollars in reductions due to limited resources. Given these challenges, the AHCCCS Administration is developing the 3<sup>rd</sup> Annual Program Integrity Plan. The plan summarizes previous accomplishments as well as identifying new strategies to ensure the best possible use of limited resources.

### **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.

### **FY 2011 KEY ACCOMPLISHMENTS**

- AHCCCS continued to develop and refine the scorecard for tracking and trending Program Integrity performance measures.
- AHCCCS realized over \$960 million as a result of coordination of benefits, third party recoveries, and OIG activities.
- AHCCCS supported the investigations of 19 successful prosecutions of either members or providers.
- AHCCCS implemented a new advanced data analytics tool from EDI Watch that conducts algorithms and analyses of over 100 million claims records
- AHCCCS updated the agency website to provide a centralized place for the public to get information on reporting and learning about AHCCCS Program Integrity.

## AHCCCS Recovery and Cost Avoidance

	SFY 2009	SFY 2010	SFY 2011	% Change SFY10-SFY11
<b>Coordination of Benefits</b>				
Total Commercial COB	\$72,934,501	\$94,692,775	\$113,001,472	19%
Total Medicare COB *	\$746,829,672	\$781,161,382	\$815,066,365	4%
<b>Total COB Cost Avoidance</b>	<b>\$819,764,173</b>	<b>\$875,854,157</b>	<b>\$928,067,837</b>	<b>6%</b>
<b>Third Party Liability</b>				
Total Recoveries **	\$9,425,104	\$8,066,128	\$9,924,206	23%
Total Distributions	\$7,680,077	\$6,644,163	\$8,310,570	25%
<b>Net Recoveries from TPL</b>	<b>\$1,745,027</b>	<b>\$1,421,965</b>	<b>\$1,613,636</b>	<b>13%</b>
<b>Office of Inspector General (OIG)</b>				
Provider Fraud Recoveries***	\$5,029,433	\$7,469,772	\$6,007,658	-20%
Member Cost Avoidance****	\$19,731,645	\$22,963,994	\$24,493,145	7%
<b>Total OIG Recoveries</b>	<b>\$24,761,078</b>	<b>\$30,433,766</b>	<b>\$30,500,803</b>	<b>0%</b>
<b>RECOVERY/COST AVOIDANCE TOTAL</b>	<b>\$846,270,278</b>	<b>\$907,709,888</b>	<b>\$960,182,276</b>	<b>6%</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

\*\*\* Includes Audit recoveries

\*\*\*\* Includes AHCCCS savings resulting from Social Security leads

### FY 2012 PROGRAM INTEGRITY STRATEGIES

- 1. Continue refining and reporting Program Integrity data and develop strategies to improve results.**
  - a. Conduct evaluation of health plans to determine their performance with regards to Program Integrity efforts.
- 2. Expand use of technology and data analytics to improve program integrity**
  - a. Procure additional support from external expertise on how to maximize data analytic capabilities.
  - b. Provide summary of cases supported and developed through data analytic capabilities
  - c. Pursue Biometric Demonstration opportunities
  - d. Implement ongoing provider registration date of death system match
  - e. Continue to update web training
- 3. Retain new Inspector General and provide that individual with opportunity to help shape this plan over the course of the Fiscal Year.**
- 4. Improve opportunities to confirm Member ID and member compliance**
  - a. Implement use of Motor Vehicle Division (MVD) picture as additional on-line verification tool for provider offices to ensure integrity of member compliance
  - b. Expand use of inmate match system to include Maricopa County
  - c. Evaluate ability to add additional counties
  - d. Continue to implement address verification programs
- 5. Work with CMS on new mandates and improved operations**
  - a. Successfully complete next round of Payment Error Rate Measurement (PERM) and continue to improve results
  - b. Implement Provider Registration requirements included with the Affordable Care Act (ACA)
  - c. Work on Recovery Audit Contractor (RAC) results from current scope of work
  - d. Establish next steps re: RAC process and incorporation of Managed Care Organization (MCO) data
  - e. Implement provider payment suspension requirements from ACA

- 6. Pursue opportunities to collaborate/cooperate with other agencies/organizations to expand information and/or resources related to program integrity**
- a. Evaluate opportunity to leverage CMS resources to assist AHCCCS detection and investigation
  - b. Incorporate and implement proposed recommendations from Auditor General review
  - c. Identify opportunities for continued improved collaboration with the Arizona Department of Economic Security (DES)
  - d. Update the Medicaid Fraud Control Unit's Intergovernmental Agreement (MFCU - IGA) with Attorney General's Office