



Office of the State Auditor
Suzanne M. Bump

Making government work better



Progress & Challenges in Medicaid Auditing

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National State Auditors Association

Medicaid Audit Unit

Fiscal Year	Total Staff	Provider Audits	Total Audits	Total Dollar Value
FY06	4	0	1	\$0
FY12	4	3	3	\$281,122
FY15	13	0	5	\$541,669,567
FY16	20	7	9	\$43,552,369
FY17	16	8	11	\$205,459,405
FY18	16	6	7	\$10,091,585

Data Analytics Tools

Built In-House

- ⦿ Rules Based Risk Engine
- ⦿ Advanced Analytics Platform
- ⦿ Risk Distribution Center



Off The Shelf

- ⦿ Excel
- ⦿ ACL

Medicaid Audit Mission

Program integrity includes identification of systemic deficiencies in claims adjudication as well as provider fraud and abuse

Review of MassHealth Claims for Drug Screening

July 1, 2008 – June 30, 2011

\$9.1M

Unallowable testing for residential monitoring and excessive testing

\$4.5M

Unbundling of claims

\$313,623

Duplicative testing (16,441 tests)

\$107,309

Overpayments due to delayed implementation of pricing changes

\$2.3M

Unnecessary spending on alcohol, specimen integrity, confirmatory drug tests

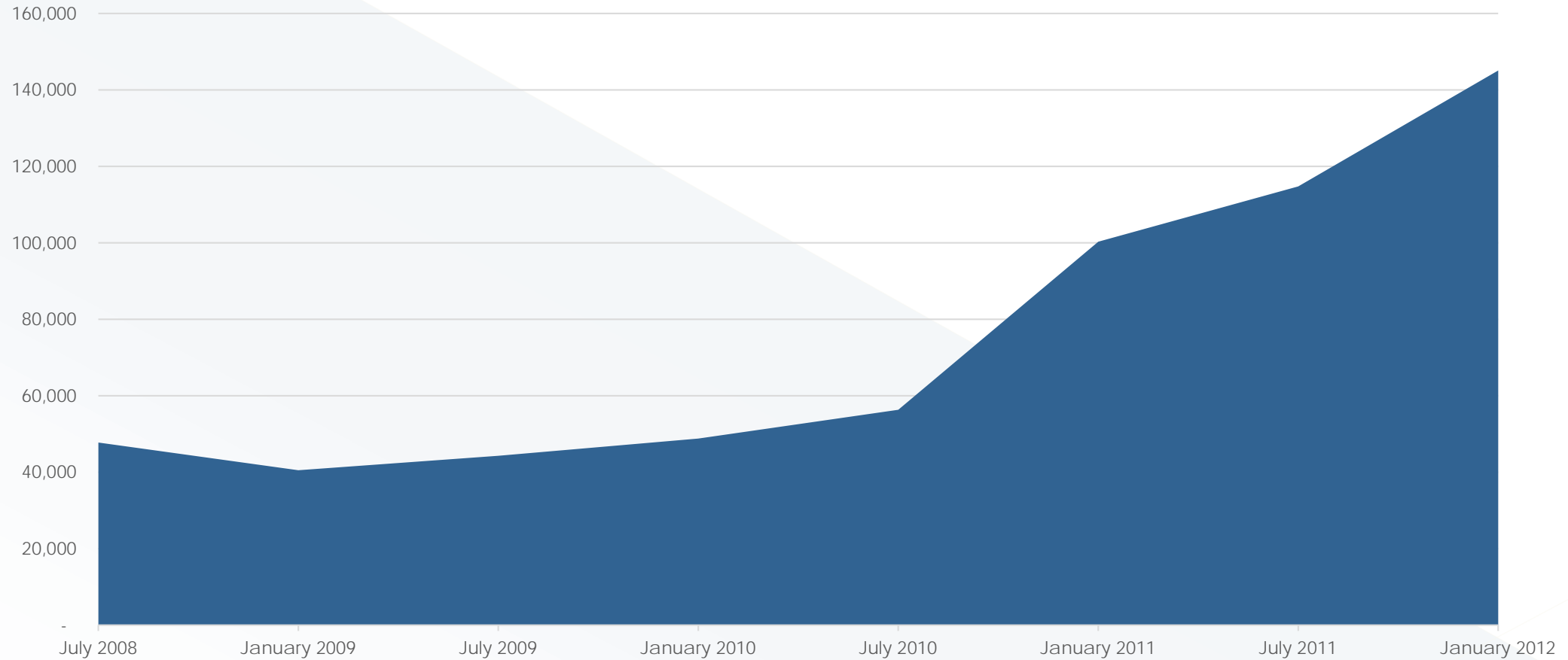
\$190,010

Underpayments as a result of improper classification of new procedure codes

\$41,258

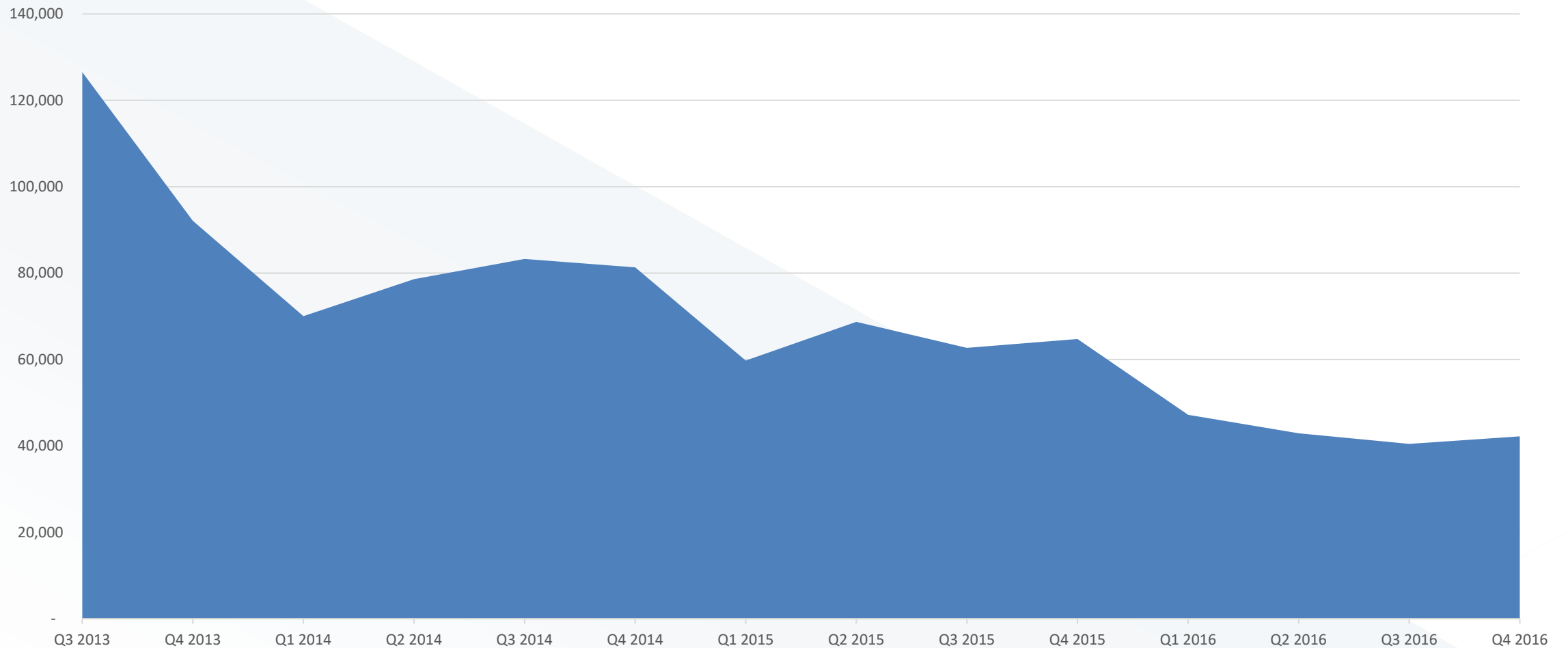
Unsupported payments

Unbundled Claims *Pre-Audit Engagement*



Unbundled Claims

Post-Audit Engagement



Drug Screening Data Analysis

2018 Audit

ACL

Tested currently disallowed unbundling services

Identified new potential unbundled billing practices

SQL Queries

Tested whether MassHealth's system edits were successful

2017-2018 Medicaid Annual Report

March 15, 2017 – March 14, 2018

\$211 million

unallowable, questionable, duplicative, unauthorized, or potentially fraudulent billing

9 audit reports including:


- ⦿ **\$193 million in improper or questionable payments** for services that should have been paid for by the Massachusetts Behavioral Health Partnership;
- ⦿ A **physician improperly billed over \$200,000** in services;
- ⦿ **\$966,000 in per diem overpayments** for nursing-facility claims that were not recovered;
- ⦿ 4 audits of group adult foster care services that recommended allowing certified nursing assistants to manage medication for members, resulting in **significant savings without a reduction in quality of care.**

Planned Work

Claims paid for members of both Medicaid and Medicare, commonly referred to as “dual eligibles”

MassHealth members' access to counseling services when they were being treated with suboxone, a drug used in the treatment of substance abuse and addiction

MassHealth's recoupment processes for overpayments during a three-year period

A photograph of the Massachusetts State House dome, which is covered in gold leaf. The dome is set against a blue sky with some light clouds. To the left of the dome, an American flag is flying on a tall pole. The building's facade is made of red brick with white architectural details. Bare tree branches are visible at the top of the frame.

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