



Are You Ready?

THE MEDICAID INTEGRITY PLAN WILL AFFECT YOU

AND YOUR CLIENTS—GUARANTEED. *By Shawn Keough-Hartz, CHBME*

If you read Bill Finerfrock's e-mails, you know that Congress initiated the Medicaid Integrity Plan (MIP) in July 2006. This program, as it is appropriately named, is designed to bring integrity into the healthcare system. As explained by the Centers for Medicare and Medicaid (CMS), the plan "offers a unique opportunity to identify, recover, and prevent inappropriate Medicaid payments. It will also support the efforts of State Medicaid agencies through a combination of oversight and technical assistance."

MIP represents CMS' first national strategy to detect and prevent Medicaid fraud and abuse in the 41-year history of the program. Although individual states work to ensure the integrity of their respective Medicaid programs, MIP provides CMS with the ability to more directly ensure the accuracy of Medicaid payments and to deter those who would exploit the program.

The program has merit and some legs. Moreover, it has hard cold cash associated with it. The plan's budget for the 2007 year is \$50 million, which will increase to \$75 million per year by 2009. At \$50 million dollars, that's 31% of what the OIG has allocated for the entire Health Care Fraud and Abuse Control Program.

Oh, but wait—that's not all!

As part of a government-wide approach to funding program integrity activities, the budget for the OIG has an additional \$11.3 million for 2007. Between the program's two operational areas, over \$221.3 million dollars for 2007 alone has been allocated. That is considerable, and Congress has stated that it anticipates receiving a high return on its "investment." The powers-that-be are very serious about instituting integrity into our healthcare system. The Medicaid Integrity Plan puts the muscle into making it become a reality. Congress has done its homework and is continuing to do so.

To give you an idea of how widespread the fraud and abuse problem is, consider a case in New York. The State Medicaid Inspector General and the Attorney General announced in October that they had indicted sixteen individuals and five corporations, including a doctor, pharmacists, and several pharmacies. The state is seeking the recovery of more than \$22 million dollars. This is just one case. It certainly supports the reasons for the development of the Medicaid Integrity Program.

How Will It Work?

The new program calls for two broad operational areas. The first is a government review of the actions of those providing

Medicaid services. The second is support and assistance to the states to combat fraud, waste, and abuse, which are estimated at over \$300 billion.

One surprising aspect of the plan is the intent to provide education to providers. As a means of supporting the states, CMS, by the direction of Congress, has hired 100 staff members to oversee the program. In addition, the states will receive a 10% incentive payment based upon recovery efforts. With that type of incentive, it isn't surprising that every state has agreed to participate in this program. While the program isn't mandatory, taxpayers should revolt if their state doesn't participate.

There is no doubt this program is under development and evolving. But, if you think that you don't have to worry and that it won't adversely affect you, it might be wise to think again. CMS and the Medicaid Integrity Program Group (i.e. the 100 staff members) are moving quickly. They are actively gathering information from a variety of sources and are currently in the process of developing the network and systems required to conduct the audits. They will use the information to transform guidance—yes, more regulation—into the Medicaid system as a means to prevent future overpayments.

As billing service providers, you will be inundated with more change and you will need to plan for additional education for your staff members so you can respond to these changing regulations and also be able to support an increase in the number of audits.

It would be wise for all billing companies to review their contracts regarding coding responsibilities as well as the financial ramifications should one of your clients be selected for audit. You might wish to engage legal counsel as you deem appropriate. An active compliance plan with outside chart reviews would be prudent.

If you have not had an opportunity to attend one of HBMA's compliance programs, I would highly recommend it. With the ever-changing environment, I think you will find it will be worth every penny you allocate. ▲

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