



# National Intergovernmental Audit Forum

## Improper Payments

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# Building Partnerships

- **How Tennessee leverages the Managed Care Entities to help identify improper payments.**



# Program Integrity & Improper Payments in Managed Care Environment

**We make MCEs accountable.**

**They are extenders of ourselves.**

**Working together to combat fraud, waste & abuse.**





# Results for the State

1. PI extenders *in every MCE*
2. Enhanced reporting & oversight
3. Quality Referrals
4. FWA reporting is segregated from Administrative reporting
5. Heightened MCE compliance





# Recoveries & Actions Against Providers

- Review of MCE recoveries and examination of their fraud, waste, & abuse (FWA) activities
  - Increase requirements for investigations, data analysis, information given to State, minimum requirements for referrals - ensuring that referrals, quality check of audits & coding medical review are accurate & complete.
  - Share innovative or new insights (Example: drug testing, G codes)
  - Insure MCEs are following applicable rules, contract terms, & policies (Federal/State/Contract/Internal policies)
  - MCE required to report any excluded providers monthly



# Quarterly Fraud & Abuse Activities Report

- This report contains the following tabs:
  - Summary
  - Tips (1<sup>st</sup> and 15<sup>th</sup> of month)
  - Audits Performed
  - Referrals (packet complete)
  - Overpayments Identified
  - Overpayments Recovered
  - New Program Integrity Actions
  - List of Involuntary Terminations
  - List of Recipients Referred to OIG



# MCE Referral Packet

The completed Referral Packet submitted from an MCE should contain the following:

- Identifying Information for Provider, including name, NPI and any other known ID #
- Contract(s) with MCE
- Credentialing Information
- Disclosure(s)
- Provider Education; including that specific to activity under review
- Fee Schedule (in Excel format)
- Audits/Communication
- Information on Pre-pay; including Reason(s), Status and History
- MCE Policy on \_\_\_\_\_
- Provider participation history & status (MS Word or PDF format)
- Records reviewed
- MCE Coders Report
- Other pertinent Information or data



# Building Blocks

**In Tennessee:**

**“Encounter data” refers to a fully-posted adjudicated transaction.**

**Contains all information to allow State to pay provider as if a fee for service claim.**







# Why do you care?

- You care because good Encounter Data will tell you the whole story of a transaction.



# Who, What, When, Where, Why:

- **Everything in the Record Must be Clear!**
  - **Who:** Patient & Provider (Referring & Ordering)
  - **What:** CPT code, Diagnosis code, HCPCS, etc.
  - **When:** Date of service (DOS) and Time
  - **Where:** Office, Hospital, Home, Ambulatory Care Center, Nursing Facility, Wound Center, Emergency Room, School, etc.
  - **Why:** Complaint, Reason for visit, Type of visit



# The Rest of the Story

It will also tell you:

- The method of treatment, the type of service, or product specifications;
- What co-occurring issues were present, if any;
- The billed amount;
- The paid amount;
- Who submitted the claim (NPI);
- Who actually received payment (EIN); **and**
- If the claim was denied – and why.



# TennCare Encounter Process

- For an encounter to be deemed “clean” and entered into the TennCare system, it must first pass through six hundred and fifty (650) upfront edits.
- If an encounter does not pass these edits for some reason, it doesn’t go away. It is parked to the side for forty-five (45) days and then revisited.
- All encounters must be clean and accepted by the TennCare system within this forty-five (45) day period! If not, Liquidated Damages may be assessed.



# Reconciliation of Encounter Data

**Payment totals shall also be reviewed and verified by MCE.**

**MCE reconcile encounter data to provider payment and attest to accuracy.**

**External vendor audits encounter claims and payments and submits reports to TennCare of their findings.**



# More Tips & Strategies

## Data Mining in a Managed Care Environment

- From the start, you must get a fully-posted, adjudicated claim.
- Work with your MCEs toward the common goal of good, clean Medicaid data.



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