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National Intergovernmental Audit Forum

Panel Discussion:  
*Auditing High Risk Programs: The Case of Medicaid  
and Improper Payments*





# Overview

1. Factors used in determining the OIG/OAS Medicaid work plan
2. Results of OIG/OAS Medicaid work
3. OIG relationship with MFCUs





# 1. Factors Used in Determining the OIG/OAS Medicaid Work Plan

- **OIG/OAS considers several factors:**
  - Data analytics
  - Discussions with program stakeholders
  - Potential Risk of harm to Beneficiaries
  - Audit leads from prior work
  - Congressional requests
- **Audit resources focused on areas determined to be vulnerable or high risk.**





# 1. Factors Used in Determining the OIG/OAS Medicaid Work Plan

- Our Medicaid work load:
  - Quality of Care
    - What services are provided to beneficiaries and whether those beneficiaries are receiving the best services they can.
  - Improper Payments
    - Are Medicaid payments in compliance with Federal/State requirements?
      - ✓ Questioned costs
      - ✓ Funds put to better use
      - ✓ Potential recommendations for program improvement





## 2. Results of OIG/OAS Medicaid Work Involving Quality of Care

- Group home
- Correction of nursing home deficiency violations
- Safety Standards for Adult Foster/Day Care
- Opioid Treatment Centers
- Nursing Home Life Safety







## 2. Results of OIG/OAS Medicaid Work Involving Quality of Care

- Group Home
  - 3 completed reviews – Connecticut, Maine, Massachusetts
  - Joint report with HHS/Administration on Community Living and the Office of Civil Rights entitled “Ensuring Beneficiary Health and Safety in Group Homes Through Implementation of Comprehensive Compliance Oversight”
- Correction of Nursing Home Deficiency Violations
  - 7 completed reviews - Washington, Oregon, Arizona, Missouri, Kansas, New York, North Carolina





## 2. Results of OIG/OAS Medicaid Work Involving Quality of Care

- Safety Standards for Adult Foster/Day Care



- Opioid Treatment Centers
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## 2. Results of OIG/OAS Medicaid Work Involving Improper Payments

- Improper payment work focus:
  - High risk providers
    - Dental
    - Non-emergency medical transportation
    - Personal Care Services
  - State financing mechanisms
    - Taxes
    - Supplemental Payments
  - Medicaid managed care
    - Managed long term supports and services
    - Payments after beneficiary death
    - Payments for beneficiaries with multiple identification numbers







## 2. Results of OIG/OAS Medicaid Work Involving Improper Payments

- High Risk Providers
  - Dental
    - 7 completed reviews - \$142.5 million Federal recovery
  - Non-emergency medical transportation
    - 17 completed reviews - \$92.6 million Federal recovery
  - Personal care services
    - 29 completed reviews - \$692.7 million Federal recovery





## 2. Results of OIG/OAS Medicaid Work Involving Improper Payments

- State Financing Mechanisms – work focuses on the flow of funds between Federal and State Governments and State Government and providers.
  - States increasingly rely on funds from sources other than State general funds.
  - States make certain types of payments contingent upon providers securing local funding instead of payments being driven by services provided.
  - Reliance on providers and local governments for the non-Federal share can shift costs to the Federal taxpayer.





## 2. Results of OIG/OAS Medicaid Work Involving Improper Payments

- Medicaid managed care
  - Managed long term services and supports.
    - 1 completed review - \$717 million Federal potential savings
  - Medicaid capitation payments made after beneficiary death.
    - 3 completed reviews - \$18.2 million Federal recovery
  - Medicaid capitation payments made for beneficiaries with multiple Medicaid IDs.
    - 2 completed reviews - \$4.3 million Federal recovery





### 3. OIG Relationship with MFCUs

- MFCUs play a critical role for the oversight of Medicaid.
- OIG conducts Medicaid investigations but would not have the resources to police the program without the MFCUs.
- OIG was delegated responsibility for the MFCU grant program in 1979.







## 3. OIG Relationship with MFCUs

- Office of Management and Policy:
  - funds the Units and provides financial oversight.
- Office of Evaluation and Inspections:
  - provides program oversight, including certification of MFCUs and onsite reviews.
- Office of Investigations:
  - collaborates with MFCUs and conducts joint investigations; operates health care exclusion program.
- Office of Audit Services:
  - at the request of OEI, occasionally participates in the reviews particularly in the area of reviewing the fiscal controls of the unit.
- Office of Counsel to the Inspector General:
  - provides advice on oversight issues and pursues administrative remedies against health providers.
  - imposes corporate integrity agreements and provides guidance on compliance issues.





# Summary

- **OIG focuses on:**
  - services provided to beneficiaries and whether those beneficiaries are receiving the best services they can
  - working to root out fraud, waste, and abuse by identifying improper payments in the Medicaid program.
- **OIG works with many partners, one of which is MFCUs, to help make the Medicaid program the best that it can be for beneficiaries dependent on the services they receive.**





Questions?

