



ARKANSAS  
DEPARTMENT OF  
**HUMAN  
SERVICES**



# Presentation to Joint Performance Review Committee

MEDICAID PAYMENT INTEGRITY UNIT

June 20, 2017

## Medicaid Payment Integrity

### Governor Hutchinson's Initiative

Use data analysis to identify areas to reduce Medicaid expenditures

Payment Integrity addresses Cost Prevention

### Five Employees

Director

Vendor Manager

Registered Nurse

Coding Nurse

Data Analyst

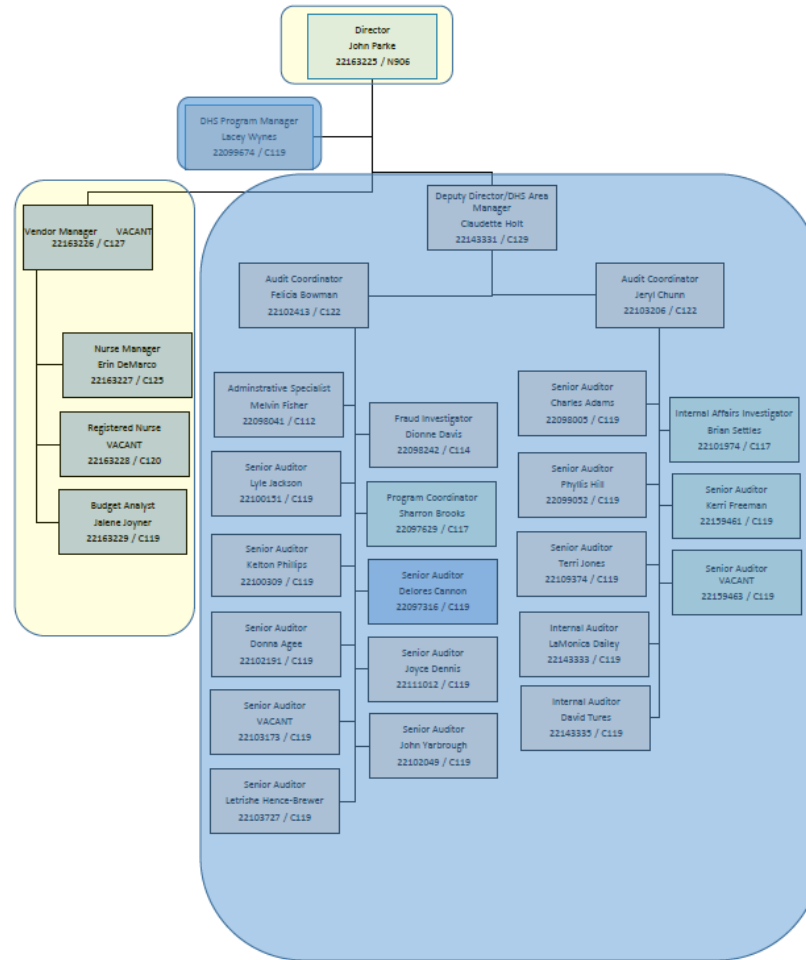
### Report to DHS CFO

# Joint Performance Review

June 20, 2017



## Office of Payment Integrity and Audit



# Joint Performance Review

June 20, 2017



### OMIG

- Audit and review of Medicaid providers to assure they are billing correctly
- Receives referrals from DMS and recoups payments or initiates criminal investigation
- Performs post-payment analytics together with OPTUM to identify recovery opportunities

### DHS

- Aging and Adult Services
- Behavioral Health
- DDS

### Legislative Auditors

- Medicaid PI program audit

### Payment Integrity

### OF&A

- Handles financial aspects of overpayment and other FW&A cases

### DMS

- Finance (Program and Administration support)
- IT (Medical transformation management)
- Medical services

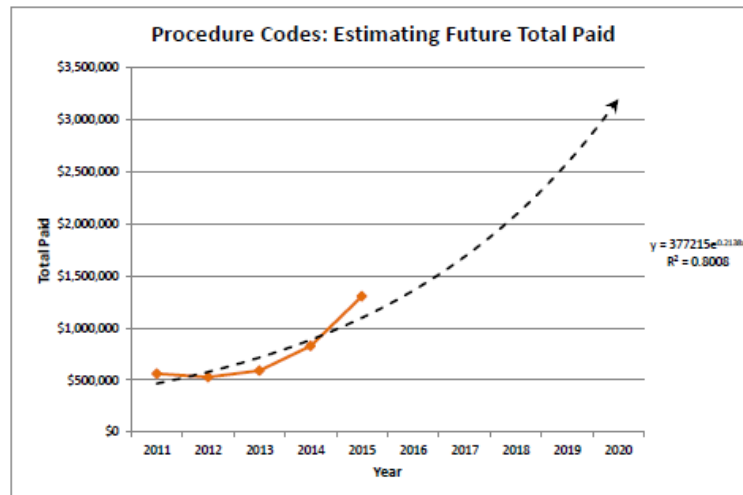
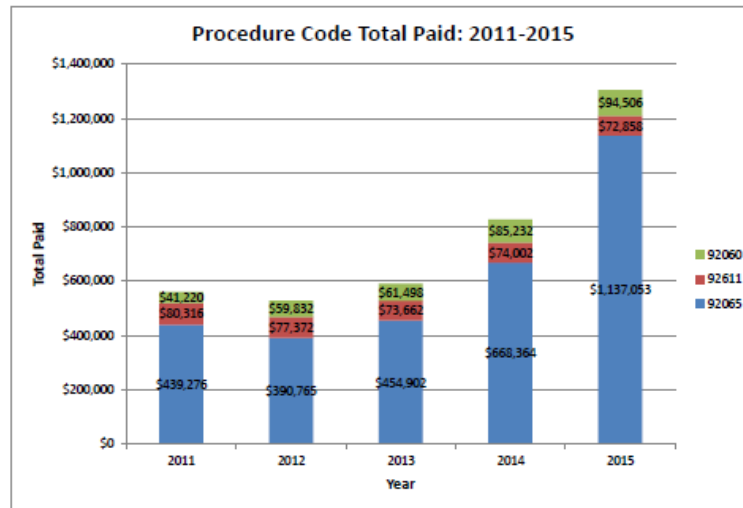
### Vendors

- HP
- HMS
- Optum
- Value Options

- **Payment integrity is split across several divisions within and outside of DMS**
- **No single dedicated payment integrity team focused primarily on prevention and recoveries across all teams**
- **No single owner of PI initiatives and impact across all teams**

- **Payment Integrity (PI)** is an *cross organizational capability* that cuts across all payor functions related to benefits, medical policy, claims payments, provider relations and medical management
- PI delivers value to the enterprise by ensuring that all processes come together in paying the *proper amount* for the *appropriate level* of medical services per the *original intent* of provider and member contracts, no more and no less
- Well performing organizations build the capability to to *relentlessly pursue sources of errors* (both internally and externally) and to sustainably remediate errors through appropriate *prevention and recovery* interventions, and to *continually improve* over time

## Pleoptic Vision Therapy



## Speech Therapy for Foster Children

### ST<sup>1</sup> evaluation fees for Foster care program: Overview

**Background**

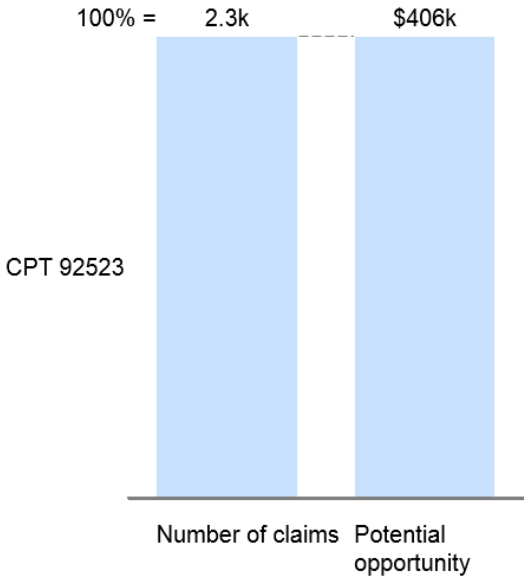
- Foster care program has different benefit limits for ST evaluation comparing to all other programs:
  - Foster care: no more than 8 15-min units of ST evaluation in a fiscal year
  - Other programs: no more than 4 30-min units of ST evaluation in a fiscal year
- Reimbursement rate is the same for 15-min and 30-min unit of ST evaluation - \$49.44<sup>2</sup>
- As a result, under the Foster care program total spending per year per person could be twice as high as in other programs:  $\$49.44 \times 8 = 395.52$  vs  $\$49.44 \times 4 = 197.76$

**Approach**

- Total amount paid for ST evaluation under the Foster care program calculated based on the following CPT codes<sup>3</sup>:
  - 92521, modifiers UA and U1
  - 92522, modifiers UA and U1
  - 92523, modifiers UA and U1
  - 92524, modifiers UA and U1
- Opportunity calculated as 50% of total amount paid – assuming reimbursement rate could be decreased from \$49.44 per 15-min unit to \$24.74 per 15-min unit

**Findings**

- Total amount paid for ST evaluation under the Foster care program - ~\$812k
- Total opportunity- ~\$406k



Category	Value
Number of claims (CPT 92523)	2.3k
Potential opportunity	\$406k

1 Speech therapy  
 2 Arkansas Medicaid CHMS fee schedule  
 3 Current procedural terminology codes

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Questions