



NATIONAL RESOURCE CENTER *for*
PARTICIPANT-DIRECTED SERVICES

FRAUD PREVENTION & DETECTION IN PARTICIPANT DIRECTION PROGRAMS

2013 HCBS Conference

Wednesday, September 11, 2013

8:30-9:45am

Session Purpose & Agenda

Present and examine best practices for fraud prevention and detection in participant direction programs in light of the recent report released by the Office of the Inspector General (OIG) entitled *Personal Care Services: Trends, Vulnerabilities, and Recommendations for Improvement*

Session Agenda:

- ❑ FMS Safeguards for Program Integrity (CMS perspective)
- ❑ Participant Perspective
- ❑ Role of Financial Management Services
- ❑ Q & A

Presenters

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FMS Safeguards for Program Integrity

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PCS Fraud Concerns

- The OIG issued a report in August 2012 entitled “Vulnerabilities in Personal Care”
 - Described some findings:
 - Lack of compliance with program rules
 - Services were unsupported by documentation
 - Services were provided during institutional stays
 - Provided by workers without program qualifications
 - Inadequate controls to ensure appropriate care

PCS Roundtable

- On April 19, a group representing OIG, State Associations, a PCS agency, and the NRCPPDS (representing participant-direction) convened with CMS and other Federal agencies to educate one another regarding PCS issues
- Agreement reached that controls are necessary to preserve this valuable service, but that individual choice and control is essential as well

Recommended Controls

- Individual provider numbers
- State or national background checks
- State clarification on necessary provider qualifications
- Standard of individually determined training modules
 - Included in person-centered plan
- Improved communication between program integrity units, state agencies, providers and participants to understand program rules

Self-Directed Programs

- During investigations, OIG was told that self-direction programs sometimes involved collusions between participants and workers to defraud Medicaid
 - They concluded that these programs were especially vulnerable to abuse
- Allegations of fraud in self-directed programs are serious
 - May jeopardize the model when allegations are substantiated
 - Illustrate the need for the types of controls that FMS provides

Next Steps

- CMS continues to work with the OIG on safeguards to prevent fraud in PCS
- If they haven't already, states may want to adopt practices such as systems review of whether timesheets are within the service plan, as well as others outlined here and given by the CMS Program Integrity Office

For Further Information

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PREVENTION AND DETECTION OF FRAUD IN PARTICIPANT DIRECTION: *A Participant Perspective*

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Christina Battista

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PREVENTION AND DETECTION OF FRAUD IN PARTICIPANT DIRECTION: *The Role of Financial Management Services*

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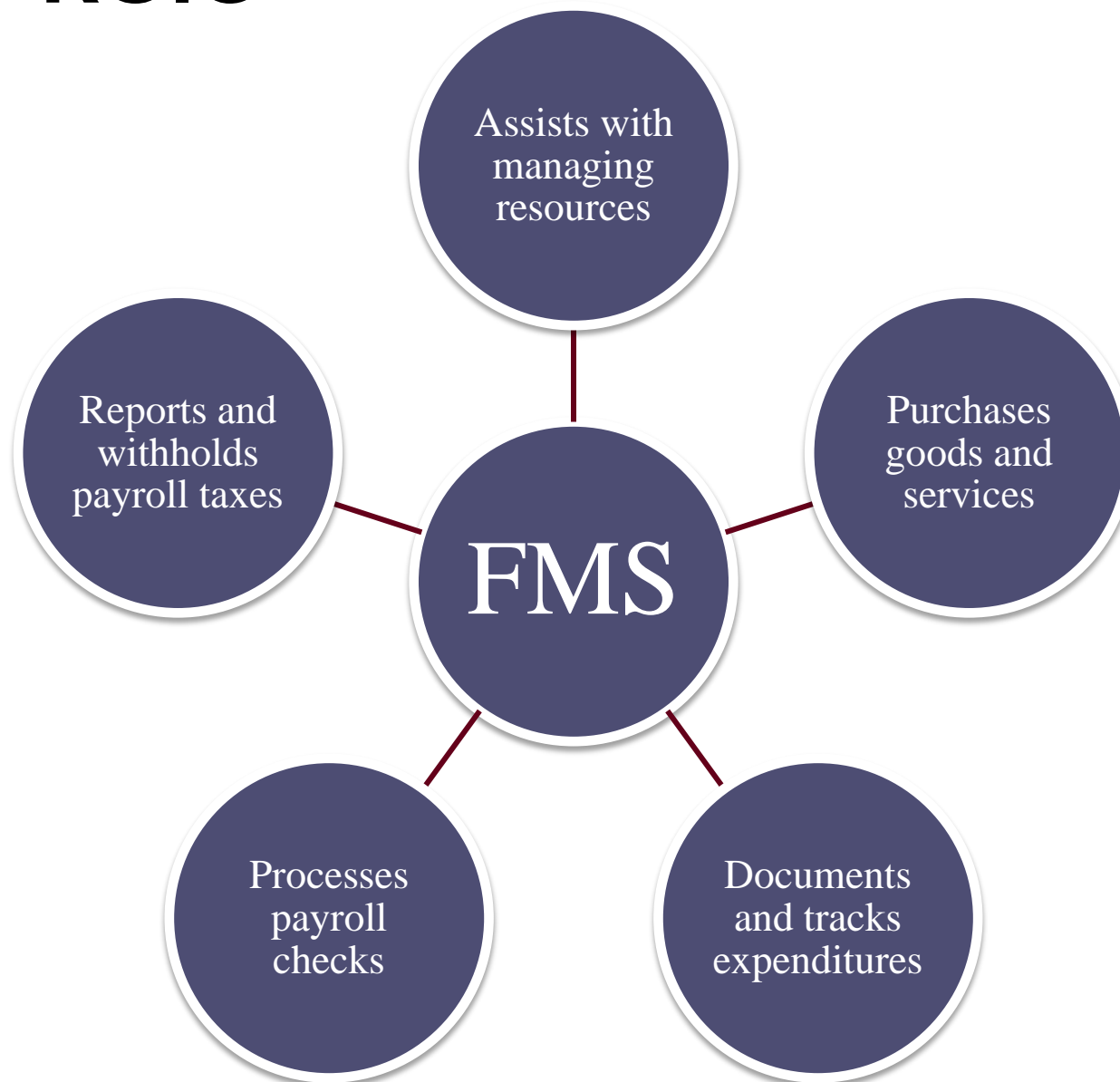
Molly Morris, Assistant Director of Membership & Programs, NRCPDS

Mollie Murphy, FMS Lead, NRCPDS

FMS Response to OIG Report

- ❑ Following the release of the OIG Report, the NRCPPDS reached out to FMS providers for feedback
 - ❑ Polled FMS providers involved with NRCPPDS as FMS members
 - ❑ Of 19 active FMS members, 10 responded to survey/interview regarding the OIG's concerns and recommendations regarding self-directed PCS
- ❑ Most OIG recommendations are already being implemented by FMS providers in participant direction

FMS Role



FMS Role: Fraud Detection & Prevention

- ❑ Pre-payment controls
- ❑ Post-payment reporting
- ❑ Participant and service provider education

Pre-Payment Controls

- ❑ Ensure workers or vendors meet program qualifications
- ❑ Receive the record of service
- ❑ Perform a variety of duties prior to approval
- ❑ Ensure service rules are met prior to delivery of payment
- ❑ Utilize sophisticated technology to detect when service delivery records do not pass rules
- ❑ Other conditions may apply depending on the program

Pre-Payment Controls (cont.)

- ❑ Some FMS providers have additional and varied controls including:
 - ❑ Ensuring the name on an account that payment is directly deposited to is never the participant's name
 - ❑ Ensuring that the “mail to” check address of the provider is never the participant's address without follow up and a “good reason”
 - ❑ Flags if a service provider has an address in a state other than where the participant lives
 - ❑ Timesheet signature review to check that a copy of a signed timesheet hasn't been edited and submitted

Post-Payment Reporting

- ❑ Regular reporting requirements to the program administration agency, the counselors or case managers, and participants
- ❑ Reporting is an excellent control to detect if fraud has occurred and prevent continued occurrences
- ❑ Most reports are at least monthly and show the services and amounts approved for a participant and the services and amounts expended during the reporting period

Participant & Service Provider Education

- ❑ Education from FMS providers aimed at reducing fraud may include:
 - ❑ Educating participants and/or workers on the rules of the program and the risk penalties for breaking those rules
 - ❑ Training in various formats including:
 - Face to face training
 - Enrollment documents, including agreements
 - Guides and manuals
 - Payroll inserts

Oversight of FMS Providers

- ❑ Certainly, the possibility exists for an FMS provider to be a perpetrator of fraud. However:
 - ❑ FMS providers undergo significant review and quality monitoring
 - ❑ Prior to start of service, typically a robust readiness review process
 - ❑ Program administration agencies monitor on an ongoing basis, including regular audits and/or certification
 - ❑ Audited financial statements are almost always required to provide FMS service

Key Recommendation from the OIG

- ❑ FMS providers would be aided in their role to prevent and detect fraud by the implementation of Recommendation 4 from the OIG Report:

Take action to provide States with data suitable for identifying overpayments for PCS claims during periods when beneficiaries are receiving institutional care paid for by Medicare or Medicaid. While we understand that CMS makes Medicare data available to States, more could be done to ensure that Medicare data are compatible with States' systems; that States have the capacity to store the data necessary to identify improper Medicaid payments; and that States may crosswalk Medicare and Medicaid data to identify potential instances of fraud, waste, and abuse.



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-THANK YOU-

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