



RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

July 31, 2014

Ms. Elizabeth Dudek, Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, FL 32308

Dear Secretary Dudek,

Enclosed is a six-month status report on OPPAGA's *Medicaid Program Integrity Recovers Overpayments in Fee-For-Service and Monitors Fraud and Abuse in Managed Care*, issued January 2014. This status report is issued in accordance with the statutory requirement to report on corrective actions resulting from the Auditor General's recommendations six months from the report date.

If you have any questions about this status report, please contact Mary Beth Sheffield at 412-3978.

Sincerely,

Eric W. Miller
Inspector General

EWM/szg

Enclosure: Six-Month Status Report of OPPAGA Report# 14-05
cc/enc: Melinda Miguel, Chief Inspector General, EOG
Kathy DuBose, Joint Legislative Auditing Committee
Justin Senior, Deputy Secretary, Division of Medicaid



**Agency for Health Care Administration
Medicaid Program Integrity Recovers Overpayments in Fee-For-Service and
Monitors Fraud and Abuse in Managed Care
Six-Month Status Report on OPPAGA Report #14-05, Issued January 2014**

**AHCA is updating its case management system and
procuring advanced detection technology.**

Recommendation #1

- a) AHCA should ensure that the new case tracking system enhances the existing capabilities of the old system and automates features such as merging hard copy reports into case files and generating required provider notification letters and agency alerts.
- b) The new system also should allow management to track the time and costs required to complete each phase of the investigation process and to improve aspects of the investigation, such as automating collection of documentation and standardizing agency notifications and letters.
- c) In addition, the new system should allow the bureau to reduce the time and errors inherent to manual processes with its current system.

Agency Response as of January 27, 2014

The Agency agrees with this recommendation and these features will be specified to the vendors during the negotiation phase of the case management system procurement.

Agency Status Update as of July 31, 2014

The Agency executed a contract with Imager Software, Inc., d/b/a ISC, on April 17, 2014. The joint application design meetings began the week of April 21, 2014 and were completed on May 19, 2014. The Agency is in the process of approving the functional requirements document (FRD) for the new case tracking system. The Agency anticipates user acceptance testing, or phase three (3), to begin following the vendor's completion of the system configuration and customization.

Anticipated Completion Date and Agency Contact

The anticipated go-live/implementation date is October 31, 2014. The final deliverable is due by November 10, 2014.

*Johnny Gonzalez
(850) 412-4638*

Recommendation #2

AHCA should ensure that the procurement is sustainable and that it enhances the agency's current detection of abuse and fraud and recoupment of overpayments.

Agency Response as of January 27, 2014

The Agency agrees with this recommendation; however, sustainability of the advanced data analytics program is dependent upon continued legislative funding.

Agency Status Update as of July 31, 2014

The Agency issued the Intent to Award on April 8, 2014 selecting SAS Institute, Inc. to provide advanced data analytic services. Additionally, the Agency received an approval letter dated May 21, 2014 from CMS approving enhanced funding for the implementation and maintenance of an advanced data analytics service. The legislature appropriated five (5) million dollars for FY 2014-15. The contract is currently routing through the Agency, the Center for Medicare and Medicaid Services, and SAS for approval. The Agency will seek continued spending authority through annual legislative budget requests.

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Anticipated Completion Date and Agency Contact

Upon execution of the contract, the anticipated go-live/implementation date is scheduled for no later than one-hundred twenty (120) business days from the date SAS receives data from the Agency. The final deliverable is due within thirty (30) business days prior to the end of the contract or within one (1) year of execution of the contract.

Kristen Koelle
(850) 412-4591

AHCA is shifting program integrity resources from fee-for-services activities to managed care and revising its organizational structure.

Recommendation #3

In centralizing its approach to monitoring plan compliance, AHCA should include coordinating communication among all agency staff involved in managed care plan oversight.

Agency Response as of January 27, 2014

Coordinating communication among all agency staff involved in manage care plan oversight is indeed a fundamental role of contract managers. While contract managers will serve as the primary point of contact between the Agency and contracted managed care plans, other agency staff will interact directly with plans on compliance issues related to their respective functional areas. These areas include, but are not limited to, provider network oversight, complaints and grievances, encounter data reporting, and, of course, program integrity. Contract managers are expected to be aware of, involved in, or directing (as appropriate to the specific issue) all contract compliance activities across functional areas. This will provide for a more comprehensive perspective of plan performance and the ability to “connect the dots” of broader contract compliance, program integrity issues, and trends that may be less apparent from within a given functional area.

Agency Status Update as of July 31, 2014

The Bureau of Plan Management will contain all of the contract managers that have been aware, involved in or directed all implementation efforts for their respective plan during the Managed Medical Assistance program (MMA) rollout, which is scheduled to be completed in August 2014. Through the MMA rollout the contract managers operationalized the new functional model where they were in daily contact with provider network, complaints and grievances, encounter data reporting, program integrity, and other Agency staff. During the MMA plan readiness process, contract managers were in charge of tracking all pieces of the desk and on-site readiness review through an automated tool. The Agency is in the final stages of converting the Bureau of Health Systems Development to the Bureau of Plan Management. The change is one piece of the functional staffing alignment the Agency's Division of Medicaid is undergoing due to the Statewide Medicaid Managed Care program.

Anticipated Completion Date and Agency Contact

July 31, 2015

David Rogers
(850) 412-4009

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Recommendation #4

AHCA should consider developing a plan tracking system that would allow managers to identify potential program integrity concerns. For example, such a system could provide trend data on grievances and complaints, plan performance measures, and provider network changes. It could also alert contract managers when plans fail to submit required reports to the agency.

Agency Response as of January 27, 2014

The Agency anticipates that a number of systems will be used by both contract managers and Agency staff involved in managed care plan oversight across different functional areas. These include, but are not limited to, the Complaints and Issues Tracking System (CIRTS) for enrollee and provider complaints, the Provider Network Verification (PNV) system for plan's provider network oversight, the Versa Regulation (VR) system for enforcement of liquidated damages and sanctions, as well as the new Medicaid Program Integrity Advanced Data Analytics System. Additionally, contract managers will have access to various analytical reports, such as Compliance Reports for measuring the completeness and timely submission of encounter data.

Agency Status Update as of July 31, 2014

The Agency has operationalized the use of CIRTS, PNV and VR. The Agency has selected a vendor for the Medicaid Program Integrity Advanced Data Analytics System and is currently finalizing contracting efforts.

Anticipated Completion Date and Agency Contact

July 31, 2015

*David Rogers
(850) 412-4009*