



RICK SCOTT  
GOVERNOR

JUSTIN M. SENIOR  
SECRETARY

August 1, 2018

Mr. Justin M. Senior, Secretary  
Agency for Health Care Administration  
2727 Mahan Drive  
Tallahassee, FL 32308

Dear Secretary Senior,

Enclosed is a six-month status report on OPPAGA's *AHCA Continues to Expand Medicaid Program Integrity Efforts; Establishing Performance Criteria Would Be Beneficial*, Report No. 18-03, issued January 2018. 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 Molly McKinstry, Deputy Secretary, at 412-4220.

Sincerely,

Mary Beth Sheffield  
Inspector General

MBS/szg

Enclosure: Six-Month Status Report of OPPAGA Report# 18-03

cc/enc: Joint Legislative Auditing Committee

Eric W. Miller, Chief Inspector General, EOG

Molly McKinstry, Deputy Secretary, Division of Health Quality Assurance



**Agency for Health Care Administration**  
**Six-Month Status Report on OPPAGA Report No. 18-03, Issued January 2018**  
**AHCA Continues to Expand Medicaid Program Integrity Efforts;**  
**Establishing Performance Criteria Would Be Beneficial**

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OPPAGA Report 18-03, released in January 2018, reviewed expanded Medicaid Program Integrity (MPI) efforts within the Agency of Health Care Administration (AHCA). As indicated in the original response from AHCA, MPI continues its effective efforts to expand and improve the program integrity efforts related to the Medicaid program. To provide a six-month update, AHCA and MPI took the following efforts to resolve the reported findings.

**I. Managed Care Monitoring and Reporting**

OPPAGA stated that with regard to managed care reporting, “MPI has developed review checklists, reestablished on-site monitoring, and redesigned managed care annual fraud and abuse reports.” OPPAGA also indicated an issue that “as of January 2018, MPI has not validated fraud and abuse information reported by the health plans for 2016 and 2017, which limits our ability to draw conclusions based on this information.”

**Agency Update as of August 1, 2018**

*As of July 2018, MPI has completed the validation of information in the Annual Fraud Abuse Activity Report (AFAAR) for FY 2016-2017. The validation results showed little variance from the reporting received by MPI from the plans throughout the year. These results will now serve as part of the baseline criteria for establishing program integrity performance measures for the Medicaid health plans. MPI has also taken further steps to amend reporting requirements related to program integrity activities within the Statewide Medicaid Managed Care (SMMC) Report Guide to enhance validation capabilities in the coming years. Particularly, MPI has updated the Quarterly Fraud Abuse Activity Report and added a new report, the Denied, Suspended, Terminated Provider Report. The updating and addition of reports ensures adequate information is reported pertaining to the Medicaid health plans program integrity activities.*

**Anticipated Completion Date**

Completed

**Agency Contact**

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**II. Data Analytics**

With regard to data analytics, OPPAGA stated that, “While MPI continues to identify and collect overpayments to fee-for-service providers, its data analytics vendor did not perform as expected.”

**Agency Update as of August 1, 2018**

*AHCA agrees with this statement but did not take any corrective action because there is no longer a contract with an external vendor. However, the Agency maintains that advanced data analytics are a critical tool for fraud and abuse detection and prevention. MPI personnel are continuing to utilize available resources to maximize the in-house analysis of data. No recommendations were made by OPPAGA.*

### **III. Managed Care Oversight**

OPPAGA stated that “MPI has no formal criteria to evaluate managed care plans’ program integrity efforts” and indicated that “MPI’s review of contractually required documents and on-site monitoring of managed care plans do not include benchmarks.” OPPAGA further stated that the past process utilized by MPI “examines whether plans have written policies and procedures but, in the absence of established criteria or benchmarks, the checklists provide little to no evaluative information about whether policies and procedures are effective” and “without performance standards, it is difficult to assess plan outcomes and evaluate the adequacy of program integrity staffing and resources.”

#### **Agency Update as of August 1, 2018**

*The Agency is currently evaluating other states’ practices with regard to setting benchmarks for program integrity efforts as well as gathering data with regard to current Medicaid health plan performance. It is noted however, that this will be an ongoing effort as when benchmarks are set, there will have to be a contract amendment to include the benchmarks and efforts developed to evaluate the benchmarks will be established.*

*Some of the other state requirements that are under review include: finite requirements for staffing, including qualifications, quarterly reporting of each health plan program integrity staff member’s efforts to engage in contractually required program integrity activities; including some consideration of the health plans (positive or negative) efforts in fraud and abuse identification when setting rates. Also, establishing and refining benchmarks will be an ongoing effort, in part due to the need for contract amendments, the progression of efforts, and development of innovative strategies to combat fraud and abuse.*

*AHCA will continue, for the next few months, to review and engage other states about their efforts and review the potential of what is the best practice for the SMMC program. AHCA projects that substantive amendments will be done twice annually after the execution of the new contract. MPI routinely recommends contract amendments and anticipates doing so, initially, before the end of the 2018-2019 fiscal year, and continuing in subsequent years as necessary.*

#### **Anticipated Completion Date**

Anticipate contract amendment recommendations by July 2019

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### **IV. Medicaid Program Integrity Performance**

OPPAGA indicated, “Several recent reviews of MPI suggest the bureau could improve its performance.” OPPAGA stated, “AHCA has not identified useful measures to evaluate MPI’s performance.” *However, AHCA indicated that there are measures, predominately determined by previous OPPAGA findings, and published annually in AHCA’s report on The State’s Efforts to Control Medicaid Fraud and Abuse.* OPPAGA refuted that assertion, and indicated, “the report does not identify metrics, baseline standards, or ongoing benchmarks that can be used to

assess bureau performance, identify areas of improvement, or inform the Legislature regarding appropriate performance expectations.”

**Agency Update as of August 1, 2018**

*AHCA does not believe it is appropriate to establish a finite, unchanging performance standard. However, as was previously indicated, AHCA has been using the measures to evaluate performance trends and shift resources as priorities and needs shift. AHCA agrees that the evaluation can be better documented and either reported in subsequent AHCA reports or be made available as requested. AHCA will develop a performance expectation (e.g. a percentage increase each year) regarding each of these measures. These measures will be evaluated in a multi-year side-by-side comparison chart.*

**Anticipated Completion Date**

To develop a multi-year side-by-side comparison chart by July 2019

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