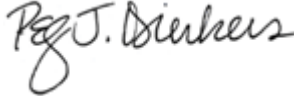
	<b>MEDICAL ASSISTANCE BULLETIN</b> <b>COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE</b>		
	<b>NUMBER:</b> 99-02-13	<b>ISSUE DATE:</b> December 2, 2002	<b>EFFECTIVE DATE:</b> December 2, 2002
<b>SUBJECT:</b> The Bureau of Program Integrity and the Medical Assistance Provider Self-Audit Protocol		<b>BY:</b>   <b>Peg J. Dierkers, Ph.D.</b> <b>Deputy Secretary for Medical Assistance Programs</b>	

**PURPOSE:**

1. To provide general background information on the Bureau of Program Integrity (BPI) and remind providers of the administrative sanctions available to BPI to ensure compliance with applicable regulations.
2. To provide information on the Provider Self-Audit Protocol and encourage providers to use the Protocol to return overpayments to the Department of Public Welfare.

**SCOPE:**

This bulletin applies to all providers enrolled in the Medical Assistance (MA) Program's fee-for-service (FFS) and managed care organization (MCO) delivery systems.

**BACKGROUND/DISCUSSION:**

**A. Bureau of Program Integrity**

Federal regulations require that state Medicaid agencies create and maintain program integrity units. To meet this obligation, the Office of Medical Assistance Programs (OMAP) created BPI to ensure, among other things, that the Pennsylvania MA Program is protected from provider fraud, abuse, and waste, and that MA recipients receive quality medical services. BPI is comprised primarily of medical professionals, including registered nurses, pharmacists, and medical consultants.

BPI reviews, also referred to as audits, may be initiated for a variety of reasons. Providers may be randomly selected for review or chosen based on complaints, referrals, tips, information received by the OMAP Fraud and Abuse Hotline, or through the use of fraud and abuse detection technology. All providers are at risk of review. Although the MA Program currently possesses effective detection technology, it is in the process of procuring an even more comprehensive and advanced Fraud and Abuse Detection System to identify fraud and abuse that may be committed by providers and recipients in both the FFS and MCO delivery systems.

Following a provider review (which may include record reviews, interviews, and on-site visits), BPI will evaluate the facts to determine whether billing, record-keeping, or other conduct by the provider, their employees or agents violates MA regulations or standards and will take appropriate remedial action. Pursuant to applicable regulations, all providers must ensure that medical and fiscal records are readily available for review by state and federal officials, including BPI reviewers. Following a review, BPI may, among other actions:

- issue educational letters;
- recover improperly paid funds;
- terminate a provider's provider agreement and preclude a provider's direct and indirect participation in the

MA Program;

- refer the case to the Attorney General's Medicaid Fraud Control Section or other appropriate criminal law enforcement agency;
- refer a case to an appropriate civil agency (e.g. licensing bodies);
- seek a civil monetary penalty amounting to twice the overpaid amount plus interest; or
- recommend internal policy changes to improve and/or clarify program standards.

BPI may take administrative action against all providers, including those that participate in the HealthChoices MCO delivery system. Although providers may be under contract with an MCO, they are also providers in the MA Program and are required to comply with applicable regulations. To the extent that overpayments are identified, BPI will require such overpayments to be returned to the appropriate HealthChoices MCO.

#### **B. OMAP Provider Self-Audit Protocol**

The Pennsylvania Medical Assistance Provider Self-Audit Protocol, implemented in February 2001, encourages all MA providers to implement compliance plans, and to utilize self-audit procedures to review their records periodically for possible regulatory violations or overpayments. These procedures seek to foster a working partnership between the Department of Public Welfare and MA providers, to serve the common interest of protecting the financial integrity of the MA Program, and to ensure that MA recipients receive quality medical services. As an incentive to MA providers, the Self-Audit Protocol provides that the Department will accept reimbursement for inappropriate payments without penalty in the event that the inappropriate payments are disclosed voluntarily and in good faith. MA regulations also require providers to return any overpayments to the Department.

Since the Provider Self-Audit Protocol was implemented in February 2001, approximately seventy (70) providers (in both the FFS and MCO delivery systems) have benefited from this protocol by initiating the return of overpayments to the Department without penalty.

OMAP's recommended procedures identify a detailed list of examples of inappropriate payment situations suitable for self-audits. Methods to conduct self-audits and return overpayments are also suggested. Providers are encouraged to visit the OMAP web site at <http://www.dpw.state.pa.us/omap/omapfab.asp> or contact BPI at (717) 772-4606 for further information on the Provider Self-Audit Protocol and other related information.

#### **PROCEDURE:**

BPI suggests that providers consider the following recommendations to ensure compliance with MA regulations and avoid possible sanctions and penalties:

1. Providers should be aware of billing requirements and compensable services under the MA Program.
2. Providers, to the extent practicable, should adopt and implement compliance plans to ensure that they remain in compliance with MA regulations.
3. As part of a compliance plan, providers should periodically conduct self-audits to ensure compliance with MA regulations.
4. To the extent that overpayments are identified, providers should utilize the MA Provider Self-Audit Protocol to facilitate the return of overpayments.

#### **COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

Bureau of Program Integrity at (717) 772-4606

Visit the Office of Medical Assistance Programs website at [www.dpw.state.pa.us/omap](http://www.dpw.state.pa.us/omap).