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**Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services
and KanCare Oversight**

**Medicaid Inspector General Update
February 4, 2022**

Chairman Hilderbrand and Members of the Committee:

Thank you for the opportunity to appear today and discuss the Office of the Medicaid Inspector General (OMIG) with you this morning. My name is Steve Anderson and I am pleased to present this update regarding the OMIG.

The OMIG continues to oversee an ever increasing number of complaints of fraud, waste, abuse, and illegal acts concerning the Kansas Medicaid program (KanCare), the MediKan program, and the State Children's Health Insurance Program (SCHIP). In CY 2019, the OMIG screened a total of 227 complaints which were primarily submitted by the Kansas Department for Children and Families (DCF). In CY 2020, the OMIG screened a total of 650 complaints with 629 (97%) being submitted by DCF. In CY 2021, the OMIG screened 1,195 complaints, with 1080 (90.4%) being submitted by DCF. That is almost double the amount of complaints handled in CY 2020.

The OMIG is finalizing its 2021 annual report and will file it with the Legislature next week. A copy of this report will be available at <https://ag.ks.gov/fraud-abuse/medicaid-inspector-general>. That same web page includes a link to an updated online contact form that members of the public can use to make a report of suspected fraud, waste, abuse, or illegal acts involving KanCare, MediKan, or SCHIP.

The OMIG has concluded its audit of the Home and Community Based Services (HCBS) program and is preparing a draft report that will be sent to the Kansas Department of Health and Environment (KDHE) and Kansas Department for Aging Disability Services (KDADS) for comment. The final report will be published after the comments are received from KDHE and KDADS. The comments will be included in the final report. The audit was conducted with the intention of answering the following questions:

1. Does KDHE have an effective system for tracking the redetermination of Medicaid beneficiaries on the HCBS program?
2. Are there Medicaid beneficiaries on the HCBS program that have not used it for more than a year?
3. What are the requirements and responsibilities of the Managed Care Organizations to ensure Medicaid beneficiaries are properly enrolled in the HCBS program?

The OMIG is also continuing to review the issue of Medicaid beneficiaries not reporting financial windfalls; particularly windfalls from lottery and casino winnings, to KanCare. The review is focused on beneficiaries that win more than \$10,000.00, but do not report the winnings as required. If properly reported, the beneficiary's Medicaid benefits would be temporarily suspended until a spenddown was completed. Three individuals have been identified and investigations have been opened. It is anticipated that when records from the Kansas Lottery are examined additional individuals will be identified.

On January 5, 2022, OMIG conducted an engagement meeting with KDHE concerning the start of a performance audit of eligibility determinations for Medicaid recipients that have moved out of the State of Kansas. The audit will cover the period of January 1, 2019, through December 31, 2021, and will seek to answer the following questions:

1. Does KDHE have an effective system for tracking Medicaid beneficiaries that have moved out of the State of Kansas?
2. Were reports from the Public Assistance Reporting Information System (PARIS) used effectively and timely to identify Kansas Medicaid beneficiaries that were receiving Medicaid benefits in other states?
3. Were capitation payments properly recouped from Managed Care Organizations for Medicaid beneficiaries that had their eligibility terminated?

An issue of particular concern is the looming problem of eligibility fraud after the public health emergency ends and KDHE begins the process of conducting eligibility redeterminations. Additional staff, including investigators, would enable OMIG to identify and investigate significant cases of eligibility fraud that warrant prosecution referrals.

Thank you for your time this morning. As always, we welcome any suggestions from the Committee on audit, review, or investigation topics.