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

**Medicaid Inspector General Update  
September 26, 2022**

Chair Landwehr 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). The majority of these complaints are submitted by the Kansas Department for Children and Families (DCF). Other sources do include calls from concerned citizens, other law enforcement and oversight agencies, and via the hotline.

Calendar Year	Complaints Screened
2019	227
2020	650
2021	1195
2022 (as of 9/16/22)	1048

At this point last year, we had screened 840 complaints. We are on track to screen over 1,400 complaints this calendar year.

The OMIG is concluding its audit concerning eligibility determinations for Medicaid recipients that have moved out of the State of Kansas. The draft report is being prepared for transmittal to KDHE for response. The final report will be published before the next meeting of this committee. The audit covered the period of January 1, 2019, through December 31, 2021, and sought 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?

The OMIG has initiated a performance audit of eligibility determinations for Medicaid recipients on the Transitional Medical Assistance Program (TransMed). Our audit will cover individuals enrolled in TransMed from January 1, 2019, through December 31, 2021, and will seek to answer the following questions:

1. Does KDHE have an effective system for processing and tracking determinations of Medicaid beneficiaries on the TransMed program?
2. Has KDHE adopted a single TransMed period of 12 months in lieu of two six-month periods?
3. Are there Medicaid beneficiaries on the TransMed program that have been in the program for longer than allowed by governing regulations?

The OMIG has initiated a performance audit of Medicaid beneficiaries with multiple identification numbers. Our audit will cover the period of January 1, 2019 through June 30, 2022, and will seek to answer the following questions:

1. Does KDHE have an effective system of tracking beneficiaries with multiple Medicaid identifications numbers?
2. Does KDHE identify capitation over-payments and are they following contracts that are in effect?

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 focus of the review is on beneficiaries who win more than \$10,000.00, but do not report the winnings as required. If properly reported, the beneficiary's Medicaid benefits would be suspended until a spenddown was completed. The Legislature added a requirement for the Kansas Lottery to provide information about all persons who claim a Kansas lottery prize of \$10,000.00 or more to the OMIG. We have identified nine individuals who did not report lottery winnings and opened investigations. One winner had winnings of \$734,370.04 and had not reported it to KDHE.

I am grateful that OMIG was authorized two additional auditor positions. This brought our total staffing positions to six, with three of them being auditors. The auditors started employment on

June 13, 2022, and have immediately started making a difference by initiating audits and working on investigations. They were a critical addition to the OMIG's ability to fulfill part of its core missions of auditing and performance reviews. As defined in K.S.A. 75-7427, the OMIG is directed to establish a full-time program of audit, investigation, and performance review.

One area the Legislature should consider addressing is increasing the state's capacity for Medicaid eligibility fraud investigations, whether that is by amending the OMIG statute to expand its directive and providing additional resources, or by providing resources to combat eligibility fraud in other agencies. This area has been ignored for several years and should be addressed as soon as practical. See OMIG Audit Report 20-02 for specifics at this link. [https://ag.ks.gov/docs/default-source/reports/omig-audit-reports/20-02.pdf?sfvrsn=1676ad1a\\_3](https://ag.ks.gov/docs/default-source/reports/omig-audit-reports/20-02.pdf?sfvrsn=1676ad1a_3).

To place this need in context, in FY 2021 the OMIG screened 943 complaints involving allegations of eligibility fraud. In FY 2022, this increased to 1,285 complaints involving allegations of eligibility fraud.

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