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

**Medicaid Inspector General Update  
February 3, 2023**

Chair Gossage 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 is finalizing its 2022 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 concerning eligibility determinations for Medicaid recipients that have moved out of the State of Kansas. The draft report was transmitted to KDHE for response. KDHE's response was incorporated into the final report. The final report should be published in February.

The OMIG initiated performance audits of eligibility determinations for Medicaid recipients on the Transitional Medical Assistance Program (TransMed) and Medicaid beneficiaries with multiple identification numbers. It is anticipated that both of these reports will be published before the next meeting of this Committee.

In cooperation with KDHE, the OMIG developed fraud, waste, and abuse awareness training that was provided to KDHE and contract employees. We completed six training sessions and provided the training to 196 employees. It is anticipated that the training will be offered on an annual basis to current employees and to all new KDHE and contract employees. The purpose of

the training is to ensure employees are better prepared to identify fraud, waste, and abuse and how to report it.

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 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	1419

The current OMIG staffing is six positions, with three being auditors. We added two auditors on June 13, 2022, and they 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 mission of conducting audits and performance reviews. As defined in K.S.A. 75-7427(c)(1), the OMIG is directed to establish a full-time program to oversee, audit, investigate, and make performance reviews.

I previously testified that the State of Kansas does not have resources allocated to conduct Medicaid eligibility fraud investigations. Eligibility fraud investigations have 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). This could easily be resolved by providing additional resources to OMIG in the form of investigators and analyst.

To place this need in context, see the chart above concerning CY 2021 and CY 2022. The majority of these allegations involve eligibility fraud. Another 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 would enable OMIG to identify and investigate cases of eligibility fraud that warrant prosecution referrals.

An example of a referral received by OMIG and referred for prosecution is of a Medicaid beneficiary on Caretaker Medical that provided false information on her application about household composition and income. She stated that her husband and father of four of her children was not in the household and provided no financial support. A review of her case determined that she would not have been eligible for Caretaker Medical, if she had been truthful

on her application and subsequent contacts by KanCare Eligibility workers. Her false statements resulted in \$43,372.10 in capitation payments being made over five-year period. She also allegedly committed \$27,297.00 in food assistance fraud.

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