



**STATE OF KANSAS
OFFICE OF THE ATTORNEY GENERAL**

KRIS W. KOBACH
ATTORNEY GENERAL

MEMORIAL HALL
120 SW 10TH AVE., 2ND FLOOR
TOPEKA, KS 66612-1597
(785) 296-2215 • FAX (785) 296-6296
WWW.AG.KS.GOV

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

**Medicaid Inspector General Update
April 21, 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 calendar year 2022 annual report was recently published and filed with the Legislature. A copy of this report is available at <https://ag.ks.gov/fraud-abuse/medicaid-inspector-general>. Prior annual reports and audit reports are available at this link.

The OMIG is finalizing its performance audits of eligibility determinations for Medicaid beneficiaries on the Transitional Medical Assistance Program (TransMed), Medicaid beneficiaries with multiple identification numbers, and Medicaid beneficiaries that had moved out of Kansas, but were still enrolled in KanCare. It is anticipated that these reports will be published in May.

In cooperation with KDHE, the OMIG developed fraud, waste, and abuse awareness training that was provided to KDHE and contract employees. Last calendar year, we completed six training sessions and provided the training to 196 employees. We conducted a training session earlier this month and have several more sessions planned this year. The training will be offered on an annual basis to KDHE employees 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 a substantial 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 primary type of complaint is eligibility fraud. 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
2023 as of 4/18/23	413

The current OMIG staffing is six positions; three auditors, one data analyst, one secretary, and the Inspector General. I requested two special agents, a financial analyst, and \$340,000.00 in additional funding to enable OMIG to fulfill its mission as defined in K.S.A. 75-7427(c)(1), which states *“The duties of the office of inspector general shall be to oversee, audit, investigate and make performance reviews of the medicaid program, the state mediKan program and the state children’s health insurance program or their successor programs.”*

I want to take this opportunity to thank the members of this Committee and the other members of the Legislature that supported my request for additional resources. This investment will be put to good use by identifying fraudulent enrollments in Medicaid and referring criminal cases for prosecution. The benefit to the Medicaid program is the stopping of capitation payments to MCOs for people that should not be receiving Medicaid benefits. This serves to help protect the integrity of the Medicaid program. It is anticipated the funds saved and recovered will more than offset the funding that was approved.

As KDHE begins the process of conducting eligibility redeterminations due to the end of public health emergency, the number of people identified as committing fraud within the Medicaid program is likely to increase. The additional staff will enable OMIG to identify and investigate cases of eligibility fraud that warrant prosecution referrals. OMIG Audit Report 20-02 provides additional details about eligibility investigations and can be found at this link. https://ag.ks.gov/docs/default-source/reports/omig-audit-reports/20-02.pdf?sfvrsn=1676ad1a_3.

An example of a referral received by OMIG and referred for prosecution is a Medicaid beneficiary who submitted an application for coverage on March 8, 2022. She was deemed eligible for poverty level pregnant woman coverage beginning March 1, 2022, due to her claim of pregnancy. Investigation determined that she was not pregnant and she had supplied a forged letter from a doctor to support her claim of pregnancy and a faked positive pregnancy test. Her false claim of pregnancy also made her eligible to receive food assistance. She would not have been eligible for Medicaid without the false claim of pregnancy. She had previously attempted to

enroll in Medicaid and had been determined to be ineligible. This case has been submitted for prosecution.

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