

## **Federal Medicaid Integrity Program Provider Audit**

The Deficit Reduction Act created a new federal Medicaid Integrity Program (MIP) and directed the Centers for Medicare & Medicaid Services (CMS) to hire independent Medicaid Integrity Contracts (MICs) to audit Medicaid providers for purposes of identifying overpayments and to educate providers and others on Medicaid program integrity issues.

There are three MICs: The Review MIC, the Audit MIC and the Educational MIC.

**The Review MIC** will analyze claims data using certain algorithms (formulae) to find providers or claims which appear to be abnormal or inappropriate. They will recommend to CMS which providers or claim types to audit. This will occur on a monthly basis using different algorithms. The State will have the opportunity to review and verify the accuracy of the report before it is finalized and submitted to CMS.

If the audit plan is approved by CMS, **the Audit MIC** will identify specific providers or claim types to audit. The State will be notified to ensure that there are no pending issues e.g. audits or fraud investigations for these. Providers will be contacted directly by the Audit MIC. The State is not directly involved in the audit activity. The audit will be performed by the Audit MIC and a draft report will be issued for review by the State and the Provider. A final report will go to CMS. If recoveries are identified, the State will be responsible for recovering the funds and for reimbursing the federal funds within 60 days from CMS acceptance of the audit report.

**The Educational MIC** will be providing education to providers on proper claims submission. They will also be responsible for ensuring that all providers are aware of all relevant rules and regulations that pertain to each specific provider type.

This is a federally managed audit program, which is supplemental to the New Hampshire Program Integrity Unit and not a replacement for Program Integrity. The State has no role in management of these audits but we do have a significant responsibility in responding to draft reports in a timely manner.

### **What should a provider do if it receives a Notification Letter that it has been selected for audit?**

Gather the requested documents as instructed in the letter. CMS contractors have the authority to request and review copies of provider records, interview providers and office personnel, and have access to provider facilities. Requested records must be made available to the Audit MICs within the requested timeframes. Generally, providers will have at least two weeks before the start of an audit to make their initial production of documents to the Audit MICs. In obtaining documents, Audit MICs will be mindful of state-imposed requirements concerning record production. Moreover, Audit MICs may accommodate reasonable requests for extensions on a document production so long as neither the integrity nor the timeliness of the audit is compromised.

Correspondence regarding MIP should be directed to Program Integrity. Fraud issues will be referred to the NH Attorney General's ( AG's) office, data issues will be referred to the appropriate units, and policy issues and review of draft reports will be referred to the division director or designee of the appropriate program unit.