

# Summary

## **WHY WE DID THIS STUDY**

This study presents an early assessment of the efforts of Review Medicaid Integrity Contractors (Review MIC) to conduct data analysis to identify potential overpayments and provide or recommend audit leads to CMS. Our objectives were: (1) to determine the extent to which Review MICs completed assignments, recommended audit leads, and identified potential fraud; and (2) to describe barriers that Review MICs encountered in their program integrity activities.

## **HOW WE DID THIS STUDY**

This study focused on Review MICs' results for assignments made between January 1 and June 30, 2010. We analyzed the results of Review MIC assignments, reviewed assignment data from CMS's Algorithm Tracking Database, and interviewed CMS and Review MIC staff. We did not determine whether Review MIC activities resulted in the recovery of actual overpayments.

## **WHAT WE FOUND**

Review MICs completed 81 percent of their assignments; however, they had limited involvement in recommending specific audit leads and identifying potential fraud. Review MICs did not recommend specific audit leads; instead, CMS required Review MICs to submit lists of providers ranked by the amount of their potential overpayments. Review MIC assignments resulted in 114 accepted reports, which identified 113,378 unique providers. CMS filtered this list of unique providers, selecting 244 audit targets. Review MICs did not identify any potential fraud leads from their assignments.

Because data were missing or inaccurate, Review MICs were hindered in their ability to accurately complete data analysis assignments. States invalidated more than one-third of

sampled potential overpayments from assignments, mainly because data were missing or inaccurate. As a result, some of Review MICs' data analyses may not lead to recoveries.

## **WHAT WE RECOMMEND**

We recommend that CMS: (1) improve the quality of data that Review MICs can access for conducting data analysis and (2) require Review MICs to recommend specific audit leads.

CMS concurred with both recommendations. CMS stated that to improve the quality of data that Review MICs can access for conducting data analysis, it has several initiatives underway. CMS is expanding the Medicaid Statistical Information System to include additional data elements important for detecting Medicaid fraud, waste, and abuse. CMS is also working directly with States to obtain State Medicaid data. With respect to our second recommendation, CMS stated that it will direct Review MICs to include specific recommendations in their data analysis reports for followup as potential audit targets.