

SUMMARY OF THE FRAUD/DATA EVALUATION WORKGROUP

Organizer: CDSS Adult Programs, Quality Assurance Bureau
Location: Health & Human Services Data Center, 9323 Tech Center Drive,
Conference Room 2, Sacramento, California
Date: April 7, 2005
Time: 9:30 a.m. to 12:30 p.m.

The meeting was attended by various state and county staff, advocacy groups, union representatives, consumers, providers and district attorneys (see attached). Attendees signed in and received the following: an agenda, a charter, a copy of a handout providing examples of situations of potential errors and/or fraud, a copy of a PowerPoint (see attached) providing an overview of fraud and data evaluation provisions of Senate Bill (SB) 1104, copies of Welfare and Institutions Code (WIC) Sections 12305.7 through 12305.83, and a schedule of future meetings.

Brian Koepp, Chief of the Adult Programs Branch (APB), Quality Assurance Bureau (QAB), commenced the meeting by welcoming attendees, providing the focus of the workgroup and making introductions. Brian then reviewed the charter, which outlines the workgroup's purpose and responsibilities. He also announced the new QAB E-mail address (ihss-ga@dss.ca.gov) and encouraged participants to provide input to the workgroup and other workgroups of interest via E-mail.

Julie Lopes, Manager, QAB, Quality Assurance Monitoring Unit–South, presented the first part of the PowerPoint presentation which summarized the fraud and data evaluation provisions of SB 1104 found in WIC Sections 12305.7 through 12305.83. The overview included requirements for error rate studies, automated data matches, verifications of receipt of services, increased awareness of avenues to report suspected fraud and abuse, QA monitoring for fraud, investigations and reporting of findings of fraud for criminal prosecutions when appropriate, and recovery of overpayments. Brian Koepp then presented the second part of the PowerPoint identifying what, if any, actions have been initiated in these activities.

After the presentation, there was a lengthy discussion regarding authorized and unauthorized services and questions regarding how overpayments/underpayments would be determined. The group felt that there were not any policies in place to obtain underpayments in the current practice. Current overpayments/underpayments regulations were obtained and provided to the group after the break. Additionally, CDSS staff reminded the group of the administrative appeal process as an avenue to have their case thoroughly reviewed in the event they disagree with actions taken in their case.

Brian stated that the goal of the workgroup is to identify and resolve issues pertaining to the prevention and detection of fraud and data evaluation. He stated that many issues overlap into other areas and that we need to work together with other workgroups to resolve some of these issues. He reiterated that the intent of SB 1104 is to ensure

consumers receive all the benefits they are entitled to and that the social worker training requirements of SB 1104 are intended to help ensure benefits are provided consistently statewide.

Following the break, Brian introduced Eva L. Lopez, Chief of APB. Eva stated that CDSS is focusing on many aspects of the QA Initiative as written in SB 1104. She emphasized that in addition to fraud and data evaluation provisions, CDSS is responsible for implementing the QA Initiative as it pertains to regulations, procedures and training to ensure that recipients are provided with the correct number of hours to meet their needs. CDSS' goal is to implement a successful Initiative utilizing the workgroups' valuable input and varied perspectives.

Christian Griffith, Senior Consultant, California Assembly Budget Committee, spoke to the group. Mr. Griffith stated that he did not believe it was the legislative intent to make fraud the central goal of SB 1104 and that it was enacted to provide consistency in assessments throughout the State while protecting consumers and ensuring a consistent level of service. He emphasized that only a few pages of the legislation pertained to fraud and expressed concerns about the potential for too much emphasis being centered on fraud activities, rather than on improving consistency in assessments.

Greg Gibeson, Deputy District Attorney (D.A.), Alameda County D.A.'s Office, spoke to the group. Mr. Gibeson specified that only a narrow part of SB 1104 pertains to criminal law violations. Mr. Gibeson clarified that "fraud" is defined differently in the Penal Code than in the WIC. As a prosecutor, his office is not concerned about error rates, overpayments or inadvertent errors. He is concerned with any individual who knowingly makes, or causes to be made, any false or fraudulent claim for payment of a health care benefit. He further explained to the group that he began looking into In-Home Supportive Services (IHSS) fraud following an incident where a consumer was involved in grand theft against Social Security and IHSS, identity theft, credit cards and loans involving elder financial/physical abuse. He closed by expressing his views on areas where he felt improvement was needed and/or areas where providers and consumers might be vulnerable such as, documentation of hours worked and/or an excessive amount of hours worked by providers for multiple recipients/consumers, that could jeopardize the provision of sufficient care to a consumer.

The group expressed their general concerns regarding the issues of documentation of hours, identification, forgery, advance payments, and unknown Share of Cost (SOC) creating a potential for overpayments. There was general acknowledgement that these issues will all have to be carefully evaluated.

Brian closed the meeting thanking all in attendance and announcing that the next meeting would be held May 6, 2005.

**FRAUD/DATA EVALUATION WORKGROUP
ATTENDEES AT 4/7/05 MEETING**

Ann Coller, Protection & Advocacy, Inc.	Guy Klopp, Sacramento Co. DA
Karen Orland, SEIU Local 616	Melody McInturf, Sac Co. IHSS
Bernadette Lynch, IHSS QA	Tona Thao, Sac Co. IHSS QA
Lisa Brown, Provider	Frank Martinez, DEIU UHW
Christal Hopkins, Consumer	Virginia Webster, Sac Co. IHSS
Alex Brown, Consumer	Dresler Bengye, Fresno IHSS PA
Karen Keeslar, CAPA	Gustavo Cowal, SEIU
Clint Jossey, IHSS Contra Costa Co.	Toni Landry, SEIU UHW West
Teri Garrett, DHS-Investigations	Lola Young, CSL Sac Co. IHSS
Mike Estrada, DHS-Investigations	Ana Bravo, Sacramento Co. DA
Sharon Bacon, SEIU-Sacramento	Julita Laberinto, SEIU, IHSS
Greg Gibeson, Alameda County DA	Conrado Laberinto, SEIU, IHSS
Jo Lee, CDSS Fraud Bureau	Igor Turlar, SEIU
Cheryl Bergan, CFILC	Rosa Mogana, Stanislaus Co.
Kevin Aslanian, CCWRO	Maria Childers, Stanislaus County
Christian Griffith, CA Assembly Budget	Erik Fair, Orange Co.
Lori Little, IHSS	Gary Mack, EDS
Jake Jacobs, Glenn Co. HRA	Linda Patton, Plumas Co. DSS
Helen Lopez, San Bernardino IHSS	Jim Newton, Sac Co. IHSS Fraud
Irene Cole, Monterey Co. IHSS	Robin Rodriguez, Monterey Co. QA
Jim Baughman, Butte Co.	Patrick Olenk, Tuolumne Co.
Jo Ubina, Butte Co. DA	Terry Melvin, Mendocino SIU
L. Fay Mikiska, IHSS Advisory Cmte.	David Jones, Fresno Co. DA
Terri LaBeaux, SF SIU	Bob Young, SF
Susan Schwendimann, Sac Co. IHSS	Julia Plascencia, SEIU 434B
Gary Williams, Jr., Fresno Co. IHSSAC	John Stansbury, Marin Public Authority
Joan Boomer, CDSS	Jim Livingston, Shasta County
Peter Hadill, Tuolumne County	Michael Niklas, DHS
Kate Imura Delmendo, SCO	Alan Okada, SCO
Maher Dimachkie, DHS	Terry Crockett, San Joaquin County
Raymond Anciaux, Marin Co. H&HS	Colleen Reeves, Calaveras Public Auth.
Tena Raben Sim, IHSS-Sac Provider	Rafael Espinoza, SEIU
Vanessa Rhodes, SEIU-UHW	Jarrett Oddo, Sacramento QA
Art Lujan, United Domestic Workers	Myriam Escamilla, SEIU 71S
Randy Hicks, Ca for Disability Rights	Stan Kubochi, Sacramento DA
Tena Rabenfon, IHSS	Robert Taylor, Stanislaus Co.
Waymon Hindsman, CDSS	Rachele Savola, SEIU Local 616
Herb Meyer, IHSS Public Authority Marin	Rafael Espinoza, SEIU
Tamara Rasberry, SEIU	Eva Lopez, DSS, Adult Programs Branch

**QUALITY ASSURANCE
INITIATIVE
FRAUD PREVENTION AND
DETECTION PROVISIONS**

**SENATE BILL 1104, CHAPTER 229
STATUTES OF 2004**

PART I

**STATUTORY
REQUIREMENTS**

INTRODUCTION

- Statutes require interagency coordination to
 - Prevent and detect fraud in the provision of supportive services
 - Take appropriate administrative action
 - Refer suspected criminal offenses to law enforcement
 - Recover overpayments resulting from fraud

REQUIRED ACTIVITIES

- Error Rate Studies
- Automated Data Matches
- Verification of Receipt of Services
- Increased Awareness of Reporting Fraud
- Appropriate Referrals of Suspected Fraud
- Appropriate Actions on Fraud Determinations

ERROR RATE STUDIES

- California Department of Social Services (CDSS) designs/conducts error rate studies consulting with State Department of Health Services (DHS) and County Welfare Departments (CWDs)
- Findings from error rate studies will be used to prioritize and direct state and county fraud detection and quality improvement

AUTOMATED DATA MATCHES

- CDSS and DHS conduct automated data matches comparing Medi-Cal paid claims and third-party liability data with supportive services' hours paid to identify
 - Potential overpayments
 - Duplicate payments
 - Alternative payment sources
 - Other potential supportive services' delivery discrepancies

AUTOMATED DATA MATCHES/REFERRALS

- Relevant data match findings are transmitted to counties or appropriate state entity for action

AUTOMATED DATA MATCHES/RESPONSIBILITIES

- **CDSS, consulting with CWDs and DHS, determines, defines, and issues instructions to counties describing roles/responsibilities for**
 - **Resolving data match discrepancies requiring follow-up**
 - **Defining the actions to be taken for resolution**
 - **Defining the process for exchange of information pertaining to the findings and disposition of data matches**

VERIFICATION OF RECEIPT OF SERVICES

- CDSS develops methods for verifying receipt of supportive services by program recipients with input from stakeholders
 - CDSS determines, defines, and issues instructions for roles/responsibilities for evaluating and responding to identified problems and discrepancies with input from CWDs

FRAUD REPORTING AWARENESS

- CDSS informs supportive service providers, recipients, and general public about the Medi-Cal toll-free hotline and website for reporting fraud

FRAUD PENALTY

- **Persons are excluded from providing or receiving payments for supportive services 10 years following conviction/incarceration for fraud against government health care or supportive services**
 - Medicare
 - Medicaid
 - Services under Title V, Title XX, or Title XXI
 - Violations of subdivision (a) Sections 273a or 368 of Penal Code

DHS INVESTIGATIONS

- DHS investigates potential fraud related to supportive services
- DHS, CDSS, and county QA staff coordinate activities
- DHS notifies CDSS, the county, public authorities or nonprofit consortia of reliable evidence of fraud

OVERPAYMENTS

- CDSS identifies, defines, develops policies/procedures and due process requirements for identification and recovery of overpayments with input from stakeholders

OVERPAYMENT RECOVERY

- The director and county may recover overpayments by
 - Offsetting any amount currently due to the provider permitted by applicable labor laws
 - Executing a repayment agreement between the provider and director or county
 - Filing a civil action

PART II

ACTIONS

ERROR RATE STUDY

- CDSS consulted with DHS in January 2005 regarding DHS' Medi-Cal Payment Error Study of 2004
- CDSS is preparing for a preliminary focused error rate study to evaluate payments made to providers when recipients have short-term stays in residential facilities

AUTOMATED DATA MATCHES

- **Death matches**
- **CDSS met with DHS in Fall 2004 regarding Medi-Cal data match development**
- **Planned CMIPS modifications will allow data matches to**
 - **Identify ineligible providers**
 - **Validate provider**
 - **Verify employment data**
 - **Identify duplication of services**
 - **Identify third-party liability**
 - **Create ad hoc reports**
 - **Assist QA error rate studies**
 - **Identify fraud**

FRAUD REPORTING AWARENESS

- CDSS QA website in progress with links to
 - Medi-Cal Fraud Hotline
 - Regulations
 - All-County Letters
 - Approved forms
 - Training curricula
 - Other websites of interest

QUALITY ASSURANCE (QA) MONITORING

- **County QA staff monitors delivery of supportive services to**
 - **Prevent and detect potential fraud**
 - **Maximize recovery of overpayments**
 - **Increase awareness of where to report suspected fraud**

QA MONITORING

- Counties conduct joint case reviews with state QA staff and work with appropriate agencies regarding
 - Identification of fraud
 - Referrals
 - Investigations
 - Administrative actions
 - Prosecution of fraud

OTHER ACTIVITIES

- QA fraud prevention and detection to be developed in conjunction with state/county operations workgroup
- Provider enrollment form will be addressed in forms workgroup
- Methods for verification of receipt of services to be addressed
- Overpayment identification, definition, due process requirements to be addressed