



RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

August 1, 2016

Ms. Elizabeth Dudek, Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, FL 32308

Dear Secretary Dudek,

Enclosed is a six-month status report on OPPAGA's *AHCA Reorganized to Enhance Managed Care Program Oversight and Continues to Recoup Fee-for-Service Overpayments*, Report Number 16-03, issued February 2016. This status report is issued in accordance with the statutory requirement to report on corrective actions resulting from the Auditor General's recommendations six months from the report date.

If you have any questions about this status report, please contact Mary Beth Sheffield at 412-3978.

Sincerely,

Eric W. Miller
Inspector General

EWM/szg

Enclosure: Six-Month Status Report of OPPAGA Report# 16-03
cc/enc: Melinda Miguel, Chief Inspector General, EOG
Kathy DuBose, Joint Legislative Auditing Committee
Justin Senior, Deputy Secretary, Division of Medicaid



**Agency for Health Care Administration
AHCA Reorganized to Enhance Managed Care Program Oversight
and Continues to Recoup Fee-for-Service Overpayments
Six-Month Status Report on OPPAGA Report #16-03, Issued February 2016**

Managed Care

MPI is revising its policies and processes for monitoring managed care program integrity.

Recommendation

- With a full year of SMMC implementation complete in October 2015, MPI should finalize tools and procedures to ensure compliance with anti-fraud contract requirements and to determine the effectiveness of plans' anti-fraud activities.
- MPI should determine the types of monitoring tool to use and decide if and how often to conduct site visits.
- AHCA also should resume assessing fines or liquidated damages when plans do not comply with the anti-fraud activities or requirements specified in the contract
- As part of its efforts to assess plans, MPI should also identify the most useful information necessary to monitor the plans and should use such information to establish benchmarks or standards for assessing plans.
- Finally, with the transition to SMMC, AHCA should include aggregate information on each managed care plan's fraud and abuse prevention, detection, and recovery of overpayments in its Annual Medicaid Fraud and Abuse Activities Report.

Agency Response as of January 25, 2016

AHCA concurs with these recommendations and will continue with its planning and implementation. However, one recommendation could be interpreted to presume AHCA has ceased assessing fines or liquidated damages. In fact, AHCA continues to diligently monitor Medicaid managed care contract compliance specific to anti-fraud activities. Not having assessed liquidated damages for late-filed fraud reports during FY 2014-15 is a credit to the ongoing efforts to increase provider overall compliance with program requirements. It should not be construed to indicate that AHCA has not been monitoring the issue. It simply means that there were no violations related to untimely reporting of suspected fraud or abuse during FY 2014-15. MPI is focusing on education of providers (including health plans) and the public regarding the quality and type of information needed to turn a fraud, waste, or program abuse complaint into a viable lead.

Agency Status Update as of August 1, 2016

As of June 30, 2016, all Medicaid health plans with current Medicaid contracts received some monitoring by AHCA to determine effectiveness of the program integrity activities. Results from this review will be utilized to assist with future development and modification of current methodologies and tools to increase effectiveness of the compliance audits. MPI will continue to evaluate, plan, and implement new processes with regard to this recommendation. Since the publication of this final report, there has been one instance for late reporting, for which a recommendation was made to the Division of Medicaid for assessment of liquidated damages or a sanction on the plan, whichever Medicaid found appropriate. Edits were made to the Medicaid

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health plan Annual Fraud and Abuse Activity Report (AFAAR) through the April 1, 2016 SMMC Report Guide which was released in January 2016. These changes were discussed with the plans at two Quarterly Plan Meetings, and then continuously on an “as needed” basis. AHCA believes the enhanced reporting requirement will allow more relevant data to be reviewed and aggregated than past years’ reports have allowed.

Anticipated Completion Date and Agency Contact

Completed

*Kelly Bennett
(850) 412-4019*

AHCA has processes and systems to hold managed care plans accountable for providing appropriate and necessary health care services.

Recommendation

- AHCA developed these accountability systems prior to and during SMMC implementation. However, the agency should continually assess these systems to identify modifications that would improve plan oversight.
- AHCA officials report that managed care standards incorporate all of the GAO recommendations. AHCA should continue to seek similar opportunities to augment all of its accountability systems for ongoing improvement of plan monitoring and oversight.

Agency Response as of January 25, 2016

AHCA is doing a great deal with regard to program monitoring and oversight and will continue to seek opportunities for improvement. AHCA concurs with these recommendations and welcomes any specific recommendation from OPPAGA that would augment current accountability systems for managed care oversight developed for SMMC.

Agency Status Update as of August 1, 2016

AHCA continues to do a great deal with regard to program monitoring and oversight and will continue to seek opportunities for improvement. AHCA welcomes any specific recommendation from OPPAGA that would augment current accountability systems for managed care oversight developed for SMMC.

Anticipated Completion Date and Agency Contact

*David Rogers
(850) 412-4009*

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Fee-for Service

MPI updated its case management system and is implementing advanced data analytics technology.

Recommendation

- To address these issues, the system should be modified to include reports that summarize the status of cases, including completion time, for various phases of the process as well as the case and the outcome. This will assist management in assessing performance and identifying areas to improve upon.
- In addition, the system should incorporate notices to remind staff to complete necessary tasks or to document activities.

Agency Response as of January 25, 2016

AHCA is committed to process improvement, including systems improvement, and concurs with these recommendations.

Agency Status Update as of August 1, 2016

The system has the capability to meet management's reporting needs for case monitoring and reporting. Some management reports require manual entries by a staff member in certain fields to generate the desired report, however, upgrades to the system are ongoing and on June 20, 2016, AHCA amended its contract with the case management system contractor to add system enhancements and features. Regarding reminder notices for next activities, the system presently has this capability, and individual business processes must be mapped to match the individualized processes with the automation notice desired. Since business processes differ among operational functions performed by MPI, ongoing business design process work within MPI will provide opportunities to identify how the system's notification capabilities can best be customized to support operational functions.

Anticipated Completion Date and Agency Contact

Completed

*Kelly Bennett
(850) 412-4019*