

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF MEDICAID PAYMENTS
THE STATE OF GEORGIA MADE ON
BEHALF OF INDIVIDUALS AFTER
DEATH**



**JANET REHNQUIST
Inspector General**

**FEBRUARY 2002
A-04-01-00004**



REGION IV
Room 3T41
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8909

FEB 05 2002

CIN: A-04-01-00004

Mr. Gary B. Redding, Commissioner
Georgia Division of Medical Assistance
2 Peachtree Street, N.W., 40th Floor
Atlanta, Georgia 30303-3159

Dear Mr. Redding:

This final report discusses our *Review of Medicaid Payments the State of Georgia Made on Behalf of Individuals After Death.*

EXECUTIVE SUMMARY

OBJECTIVE

The objective of the assignment was to determine if the Georgia Department of Community Health (DCH) had controls and edits in its Medicaid payment system to ensure that the program was not charged for medical services “provided” after the recipients’ date of death.

FINDINGS

The DCH had computerized edits in place to prevent payments to providers who make claims for services to Medicaid recipients after the recipients have died. However, the edits were not 100 percent effective because DCH could not always obtain a recipient’s date of death timely. The DCH implemented a system of controls designed to identify these payments, after-the-fact, so that the unallowable payments can be recovered. The DCH’s current effort, covering the period March 15, 1998 through March 31, 2000, identified an estimated \$534,451 (\$284,787, Federal share) of payments for services claimed for recipients after their date of death. The DCH is working with a new Medicaid Management Information Systems (MMIS) vendor to establish an edit that automatically voids a claim when a date of death has been entered into the system. Adjustments will be automatically processed immediately eliminating the need for the mass recovery system that DCH now uses to recover unallowable payments.

RECOMMENDATION

We recommend that the DCH continue to work with its new MMIS vendor to establish an edit that automatically voids claims for periods after a recipient's date of death. This automatic voiding of claims should preclude such unallowable payments DCH identified during their most recent recovery effort. We estimate that \$284,787 is the Federal share of these recoveries.

In written comments to the draft report, DCH officials agreed with our recommendation. The DCH's comments are summarized after the **RECOMMENDATION** section of this report. The DCH's comments are included in their entirety as an Appendix.

BACKGROUND

In December 2000, the Office of Inspector General (OIG) initiated this review of Medicaid payments on behalf of recipients after death in Georgia. During the course of our on-site work, we learned that the DCH Program Integrity Unit completed a Deceased Recipients Project covering the period March 15, 1998 to March 31, 2000. The DCH initiated its Deceased Recipients Project to quantify and recover funds expended for Medicaid recipients after their dates of death.

OBJECTIVE, SCOPE AND METHODOLOGY

Objective

The objective of the assignment was to determine if DCH had controls and edits in its Medicaid payment system to ensure that the program was not charged for medical services "provided" after the recipients' date of death.

Scope

We contacted both the Georgia Department of Audits and Accounts and the DCH Program Integrity Unit to determine what work they had performed in the area of payments after death. The DCH Program Integrity Unit performed a review covering the period March 15, 1998 through March 31, 2000, which included the OIG's planned audit period of October 1, 1998 to September 30, 1999. We met with officials from the DCH Program Integrity Unit to determine the methodology they used to perform their review. Our audit was limited to gaining an understanding of the methodology DCH used to identify payments after death. Accordingly, we neither performed substantive testing nor did we verify the validity of DCH's methodology.

Methodology

We discussed the objectives of our audit with DCH officials. We met with officials in the Georgia Department of Audits and Accounts to discuss and review audit work they performed relative to payments after death. We also met with Program Integrity officials to discuss and gain an understanding of work performed in their Deceased Recipients Project.

Fieldwork was performed from January 8, 2001 to June 12, 2001 in the Office of Audit Services Regional Office in Atlanta, Georgia, offices of the State Medicaid agency, State Program Integrity Unit, and the Georgia Department of Audit and Accounts.

On August 15, 2001, we held an exit conference with DCH officials to discuss the results of our review. During the exit conference DCH officials provided additional information regarding our draft findings. As a result of the additional information, we revised and reissued the draft report on January 23, 2001. On February 4, 2002, we received DCH's written comments to the draft report.

Our audit was made in accordance with generally accepted government auditing standards.

RESULTS OF REVIEW

The DCH had computerized edits in place to prevent payments to providers who make claims for services to Medicaid recipients after the recipients have died. However, the edits were not 100 percent effective because DCH could not always obtain a recipient's date of death timely. The DCH implemented a system of controls designed to identify these payments, after-the-fact, so that the unallowable payments can be recovered. The DCH's current effort, covering the period March 15, 1998 through March 31, 2000, identified an estimated \$534,451 (\$284,787, Federal share) of payments for services claimed for recipients after their date of death.

DCH's Deceased Recipients Project

Shortly after we began our onsite fieldwork, we were informed that the DCH's Program Integrity Unit had initiated a Deceased Recipients Project covering the period March 15, 1998 to March 31, 2000. The purpose of the project was to investigate, quantify and recover the funds expended for services to recipients whose date of death preceded the date of service. According to DCH officials, the process was completed for the entire deceased Medicaid recipient population known at the time of their review.

The first step in the process was to have the State Department of Vital Statistics update their date of death information with information from the Social Security Administration, the Georgia Department of Family and Children's Services and other Government agencies. Once the

Department of Vital Statistics' records were updated, the data was given to DCH's fiscal intermediary to update DCH's MMIS. From the MMIS, the DCH generated an adhoc report that identified all claims with dates of service after the reported date of death.

For the 2-year period, the DCH identified 13,640 claims with an estimated overpayment of \$534,451 (\$284,787, Federal share). The DCH officials said they have recovered these overpayments from the providers. The DCH also plans to perform this recovery process semiannually using the same methodology.

RECOMMENDATION

We recommend that the DCH continue to work with its new MMIS vendor to establish an edit that automatically voids claims for periods after a recipient's date of death. This automatic voiding of claims should preclude such unallowable payments DCH identified during their most recent recovery effort. We estimate that \$284,787 is the Federal share of these recoveries.

DCH Comments

In written comments to the draft report, DCH officials agreed with our recommendation. The DCH officials said they are continuing to work with their new MMIS vendor to establish an edit that automatically voids claims for periods after a recipient's date of death.

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In accordance with the principles of the Freedom of Information Act (Public Law 90-23), OIG, Office of Audit Services reports issued to the Department's grantees and contractors are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to the exemptions in the Act which the Department chooses to exercise (see 45 Code of Federal Regulations Part 5).

We request that you respond within 30 days from the date of this letter to the Department of Health and Human Services (HHS) action official shown below. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

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To facilitate identification, please refer to the above Common identification Number (CIN) A-04-01-00004, in any correspondence related to this report. If you need any additional information, please contact John Drake of my staff at (404) 562-7755.

Sincerely yours,



Charles J. Curtis
Regional Inspector General
for Audit Services, Region IV

Enclosures

Direct Reply to HHS Action Official:

Associate Regional Administrator for Medicaid
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
61 Forsyth Street, S.W., Suite 4T20
Atlanta, Georgia 30303-8909



Gary B. Redding
Commissioner
404.656.4507
404.651.6880 fax

February 4, 2002

Mr. Charles J. Curtis
Regional Inspector General
for Audit Services, Region IV
Room 3T41
61 Forsyth Street, SW
Atlanta, Georgia 30303-8909

RECEIVED

FEB - 4 2002

Office of Audit Svcs.

Re: CIN: A-04-01-00004

Dear Mr. Curtis:

We have reviewed your letter, dated January 23, 2002, and accompanying draft report titled "Review of Medicaid Payments the State of Georgia Made on Behalf of Individuals After Death."

We concur with the recommendation in the draft report. DCH is continuing to work with our new MMIS vendor to establish an edit that automatically voids claims for periods after a recipient's date of death.

OIG Note: The DCH's comments have been deleted at this point because they pertain to matters that are no longer discussed in this report.

We appreciate the opportunity to respond to the draft report. If you need additional information, please contact Alan Sacks, Audit Coordinator, at (404) 657-7113.

Sincerely,


Gary B. Redding

GBR:as

cc: Nancy Allstrom
Alan Sacks