

## **Public Health and Welfare Committee**

### **Introduction of Steven D. Anderson as Medicaid Inspector General**

**March 29, 2021**

Chairman Hilderbrand and members of the Committee, thank you for the opportunity to appear today and introduce myself. My name is Steven D. Anderson and I have been appointed to be the Medicaid Inspector General by Attorney General Derek Schmidt. I have served as the Special Agent in Charge (SAC) for the Medicaid Fraud and Abuse Division for the Office of Attorney General Derek Schmidt (OAG) for more than five years.

I am a Kansan; not by birth, but by choice. After completing my federal law enforcement and military career, I could have moved to any number of states. Kansas was my choice. I grew up in a small blue-collar agricultural community in southern Illinois. I had to move several times during my military and federal career. Kansas is a great place to live while also providing plenty of job opportunities for my family. Both of my sons have settled in Kansas with their families and are setting down firm roots.

Prior to joining the OAG, I was the SAC for the U.S. Department of Labor, Office of Labor Racketeering and Fraud Investigations, SAC and Assistant SAC for the U.S. Department of Education, Office of Inspector General, Senior Special Agent for the General Services Administration, Office of Inspector General, and Special Agent for U.S. Air Force Office of Special Investigations. In total, I have over 30 years of experience in law enforcement, with over 20 years in a supervisory capacity. The majority of that experience was working in an Inspector General's Office conducting program fraud investigations.

After joining the OAG, I frequently coordinated issues involving the Medicaid program with various State of Kansas offices including the Kansas Department of Health and Environment, Kansas Department for Children and Families, and Medicaid Inspector General's Office. I have provided input on work plan suggestions for the Medicaid Inspector General and provided insight involving systemic weaknesses noted during investigations. They have sought out my knowledge and expertise for issues they are reviewing.

I have a thorough understanding and working knowledge with the professional standards that relate to the fields of auditing and investigations in government. For

example, I supervised the peer reviews of two other Offices of Inspector General for Investigations in 2014 and 2015. The reviews were conducted in conformity with the Quality Standards for Investigations guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). I was chosen to supervise the teams due to my attention to detail and demonstrated skill with understanding and applying CIGIE standards.

I have extensive knowledge and experience within an Inspector General's Office conducting and supervising investigations and audits involving government programs and operations, fraud, employee misconduct, internal affairs, and whistleblower allegations. While I currently do not have an Inspector General certification, I have already taken steps to obtain the certification. My experience includes overall office operations, including recruiting, hiring, evaluating, and supervision of staff at all levels and disciplines. I have a broad knowledge of the Medicaid program and the types of fraud, waste, and abuse that occurs within the program. Based on my experience, there are systemic weaknesses in KanCare that need to be identified to help prevent further loss of taxpayer funds and to recover funds that have been lost due to fraud, waste, and abuse.

As the Medicaid Inspector General (IG), I will be able to hit the ground running due to my familiarity with the OAG and many of the key personnel within the offices that manage the Medicaid program. I already have an excellent working relationship with the current staff of the Office of Medicaid Inspector General (OMIG) and have a good understanding of issues they have under review. The OMIG has identified some areas of weakness that can be explored further. I also have my own ideas about areas that may require attention. Prior to initiating any action, I would hold strategy sessions with the current OMIG staff and review recommendations or points of interest from legislative committees to set goals for my first six months and following year.

Eligibility for Medicaid, MediKan, and SCHIP is a large issue that deserves a lot of attention. For example, eligibility redetermination as noted in OMIG Report 20-02, dated November 13, 2019, requires Medicaid recipients to be renewed after 12 months and eligibility does not automatically renew. Capitation payments are made to each of the Managed Care Organizations (MCOs) based on the number of enrolled Medicaid beneficiaries. There does not appear to be any responsibility placed on the MCOs to confirm that a Medicaid beneficiary is actually still eligible. I am aware of situations where Medicaid beneficiaries did not participate in the annual eligibility redetermination and continued to receive Home and Community Based Services. The Medicaid

beneficiaries had moved and did not leave a forwarding address or good contact information. Therefore, they could not be contacted to participate in the annual recertification. The MCOs continued to authorize services and received capitation payments although the redetermination was never completed.

A good example of this problem is highlighted in the recent testimony by Jay Emler to the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight on December 9, 2020. The testimony disclosed that improper capitation payments were made to the MCOs for 25 deceased individuals totaling \$1,313,175.55 over the span of five years. The testimony outlines problems that KDHE had with its computer systems that appear to have been resolved. However, the question of how these same 25 deceased individuals were able to be determined as eligible after the redetermination period each year deserves additional review. As IG, I will make it a goal to undertake an effort to further examine the redetermination process to ensure ineligible individuals are identified and any overpayment of capitation payments to MCOs are identified for repayment.

Another area that I find concerning is the lack of a KanCare hotline number for reporting Medicaid eligibility fraud within the KanCare program. KanCare's website does not provide information about how to report eligibility fraud. It does provide the telephone number for reporting provider fraud, which only causes confusion. During my tenure in the Medicaid Fraud and Abuse Division, it was not unusual to get several calls a week from people wanting to report eligibility fraud. The KanCare Clearinghouse contact number, 1-800-792-4884, is also no help. There is no mention of how to report Medicaid eligibility fraud in the call tree. The OAG website provides information about how to report fraud to the OMIG, but the KanCare website does not.

I will be happy to answer questions at this time.