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**Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services  
and KanCare Oversight**

**Medicaid Inspector General Update  
April 20, 2022**

Chair Landwehr and Members of the Committee:

Thank you for the opportunity to appear today and discuss the Office of the Medicaid Inspector General (OMIG) with you this morning. My name is Steve Anderson and I am pleased to present this update regarding the OMIG.

The OMIG continues to oversee an ever-increasing number of complaints of fraud, waste, abuse, and illegal acts concerning the Kansas Medicaid program (KanCare), the MediKan program, and the State Children's Health Insurance Program (SCHIP). In CY 2019, the OMIG screened 227 complaints that were primarily submitted by the Kansas Department for Children and Families (DCF). In CY 2020, the OMIG screened 650 complaints with 629 (97%) being submitted by DCF. In CY 2021, the OMIG screened 1,195 complaints, with 1080 (90.4%) being submitted by DCF. In CY 2022, the OMIG has screened 445 complaints, which is far ahead of the 336 complaints we had screened at this time last year.

The OMIG finalized its 2021 annual report on February 7, 2022, and filed it with the Legislature. A copy of this report is available at <https://ag.ks.gov/fraud-abuse/medicaid-inspector-general>. That same web page includes a link to an updated online contact form that members of the public can use to make a report of suspected fraud, waste, abuse, or illegal acts involving KanCare, MediKan, or SCHIP.

At the last committee meeting, Chair Landwehr recommended the OMIG conduct scheduled reviews and audits. We plan to conduct one scheduled review or audit each quarter starting this quarter. The results will be forwarded to the appropriate departments and this committee.

Our scheduled review for the second quarter is being finalized and should be published in early May. The review will cover the period from January 1, 2021, to December 31, 2021, and will look for personal care attendants (PCAs) that billed for services while the Medicaid beneficiary was in the hospital. For PCAs who submitted fraudulent claims of at least \$1,000.00 each, case files will be opened on each PCA and referrals made to the Medicaid Fraud and Abuse Division. For PCAs who submitted claims that were paid totaling more than \$500.00, but less than \$1,000.00 each; a referral will be made to the Kansas Department of Health and Environment (KDHE) for consideration of overpay collection.

The OMIG concluded its audit of the Home and Community Based Services (HCBS) program and the final report, 22-04, was provided to all members of this committee. It can also be accessed at <https://ag.ks.gov/fraud-abuse/medicaid-inspector-general>. The audit was conducted with the intention of answering the following questions:

- 1. Does KDHE have an effective system for tracking the redetermination of Medicaid beneficiaries on the HCBS program?** KDHE does not have an effective system for tracking the redetermination of Medicaid beneficiaries on the HCBS program. The number and types of findings identified during the audit indicate control weaknesses, which could place Kansas waivers at risk.
- 2. Are there Medicaid beneficiaries on the HCBS program that have not used it for more than a year?** There were 2,854 Medicaid beneficiaries identified as being enrolled in an HCBS waiver, but did not have any HCBS claims filed on their behalf for a total of 12 or more months during the audit period of January 1, 2018 through April 30, 2021. We found that 63 of those Medicaid beneficiaries did not have HCBS claims for the entire 40-month audit period.
- 3. What are the requirements and responsibilities of the Managed Care Organizations to ensure Medicaid beneficiaries are properly enrolled in the HCBS program?** For the scope of this audit, MCOs are required by contract to monitor Medicaid beneficiaries' use of waiver services and make the proper notifications if services are not being used. It appears, based on the number of Medicaid beneficiaries that are not using waiver services for extended periods of time, this oversight function is not being met.

The OMIG is continuing its audit concerning eligibility determinations for Medicaid recipients that have moved out of the State of Kansas. The audit will cover the period of January 1, 2019, through December 31, 2021, and will seek to answer the following questions:

1. Does KDHE have an effective system for tracking Medicaid beneficiaries that have moved out of the State of Kansas?

2. Were reports from the Public Assistance Reporting Information System (PARIS) used effectively and timely to identify Kansas Medicaid beneficiaries that were receiving Medicaid benefits in other states?
3. Were capitation payments properly recouped from Managed Care Organizations for Medicaid beneficiaries that had their eligibility terminated?

The OMIG is also continuing to review the issue of Medicaid beneficiaries not reporting financial windfalls, particularly windfalls from lottery and casino winnings, to KanCare. The focus of the review is on beneficiaries that win more than \$10,000.00, but do not report the winnings as required. If properly reported, the beneficiary's Medicaid benefits would be suspended until a spenddown was completed. We identified three individuals who did not report lottery winnings and opened investigations. We anticipate identifying additional individuals after examining records from the Kansas Lottery. A provision added to the budget recently passed by the Legislature will require the Kansas Lottery to provide information about all persons who claim a Kansas lottery prize of \$10,000.00 or more to the OMIG.

The OMIG is also tracking the upcoming issue of eligibility fraud after the public health emergency ends and KDHE begins the process of conducting eligibility redeterminations.

Finally, I am grateful that the Legislature included in the budget that was sent to the governor earlier this month authorization for two additional auditor positions and corresponding budget increase to cover the salaries FY 2023 and the remainder of FY 2022. This will bring our total staffing up to six positions, with three of them being auditors. This will allow the OMIG to do more to save tax dollars and increase the effectiveness and efficiency of the Kansas Medicaid system.

Thank you for your time this morning. As always, we welcome any suggestions from the Committee on audit, review, or investigation topics.