

Change Item Title: MA Provider Recoveries

Fiscal Impact (\$000s)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund				
Expenditures	101	94	94	94
Revenues	500	500	500	500
Net Fiscal Impact = (Expenditures – Revenues)	(399)	(406)	(406)	(406)

Recommendation:

The Governor recommends targeted efforts to pursue Medicaid provider recoveries through new collection mechanisms. By implementing the tools available to pursue Medicaid provider recoveries, amounts recovered will increase. An FTE is required in both the Financial Operations Division and Health Care Administration to implement the recovery methods, however, a full revenue offset is expected. The impact of this proposal is a net estimated increase to the General Fund of \$805,000 for the FY 2014-15 biennium.

Rationale/Background:

MA provider investigations often results in identified overpayments. Providers pay the money owed through reductions in subsequent payments or a payment plans. When DHS has identified an overpayment, it is required to pay the federal share back to CMS, regardless if DHS ever recovers any part of the overpayment.

Some providers close their business to avoid paying the money back to DHS. The three methods below will be applied to former MA providers with outstanding overpayments, who have closed their business, are no longer billing DHS, and where payment agreements are not feasible.

Proposal:

This proposal will establish a partnership with three divisions within DHS - Financial Operations Department, Health Care Administration, and the Office of Inspector General to pursue: 1) Medicaid provider surety bonds, 2) Referral to the Department of Revenue Collection Unit to recover funds through revenue recapture of both federal and state tax receipts, garnishment, and other mechanisms, and 3) pursue return of the federal share paid for overpayments when DHS can prove the provider has failed.

Performance Measures:

If successful, this change will increase collections of overpayments.



2014-15 Biennial Budget

Human Services

Net Impact by Fund (000's)			FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
General Fund			(399)	(406)	(805)	(406)	(406)	(812)
HCAF								
Other Fund								
Total All Funds			(399)	(406)	(805)	(406)	(406)	(812)
Budget Detail	BACT#	Description	FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
GF	REV2	MA Recoveries	(500)	(500)	(1,000)	(500)	(500)	(1,000)
GF	11	Operations	106	99	205	99	99	198
GF	11	Operations-MMIS	32	30	62	30	30	60
GF	REV1	Admin. FFP @ 35%	(37)	(35)	(72)	(35)	(35)	(70)
Requested FTE's								
GF	11	Oper.- FOD Staff	1	1	1	1	1	1
GF	11	Operations Provider Enroll- MMIS	1	1	1	1	1	1