

Report to the Office of the Legislative Fiscal Analyst

Assessment of Additional Tools for Medicaid Provider Screening, Asset Verification and Beneficiary Screening

Prepared by

The Utah Department of Health and the Utah Department of Workforce Services

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Background

As required by intent language in Senate Bill 2 from the 2011 Legislative General Session, the Department of Health (UDOH) and the Department of Workforce Services (DWS) submit this report on the costs and benefits of using additional tools for provider screening, asset verification, and beneficiary screening. This report provides recommendations for further action in these areas.

PROVIDER SCREENING

As required by federal law, UDOH already conducts extensive provider screening, including checking federal exclusion databases and information at the Division of Occupational and Professional Licensing (DOPL). One option for additional provider screening is for UDOH to contract with a vendor to screen all existing providers against its databases and identify problems or potential problems that may not have been identified through existing UDOH searches. Another option is for UDOH to contract on an ongoing basis with a vendor so that UDOH staff can use the vendor's databases to search for additional information about providers.

One-Time Data Match

Under this option, UDOH would send its entire current provider list to the vendor. The vendor would compare the Utah Medicaid providers to its databases for deaths, criminal histories, bankruptcies, loss of professional licenses, etc. The vendor would flag any providers if concerning information was found. UDOH would then follow up on these concerns to determine if action was needed against the provider.

One vendor, LexisNexis, is currently working on a statewide contract with the State's Division of Purchasing and General Services (State Purchasing). LexisNexis asserts that the Medicaid one-time provider data match could be carried out under this statewide contract once it is established.

UDOH has met with LexisNexis several times to find out if the vendor would be willing to perform a database match on a sample of Medicaid providers. Last week, UDOH received a proposal from LexisNexis that included an option for a free trial of the one-time match on a sample of providers. By looking at the actual information provided in the sample, UDOH would be able to determine potential savings that might occur if the match were run across the entire list of Medicaid providers.

Recommendations for further action:

- Determine with State Purchasing if a statewide contract with LexisNexis can be used for a one-time data match on Medicaid providers.
- Obtain a price from LexisNexis for running the entire list of Medicaid providers against their databases, if the contract can be used to conduct the Medicaid provider match.
- Provide LexisNexis with Medicaid provider information and obtain from LexisNexis a sample list of providers with concerning information, if the contract can be used to conduct the Medicaid provider match. UDOH staff will follow up on flagged providers and determine cost savings and any other benefits from the sample.
- Perform a cost-benefit analysis to determine if the savings merit the cost of paying LexisNexis for a match against all Medicaid providers, if the contract can be used to conduct the Medicaid provider match.

Ongoing Database Checks

One vendor in this area, LexisNexis, granted UDOH's Provider Enrollment staff and Program Integrity staff (now located in the Office of Inspector General of Medicaid Services) a complimentary 30-day trial to use and evaluate its product for provider screening. This product claimed to streamline and simplify the current background screening processes that UDOH staff complete prior to enrolling any providers in the Utah Medicaid program. By obtaining access to LexisNexis databases, UDOH hoped this product would allow for timelier and better provider enrollment decisions.

During the 30-day trial period in June 2011, UDOH staff performed 305 searches on new provider applications, as well as existing providers. The searches were done to verify and check sanctions, disciplines, license information, criminal history, National Provider Identifier (NPI) number and, as needed, Social Security Numbers (SSNs).

During the trial period, UDOH staff found the following:

- Some providers did not show their NPI number
- The NPI numbers did not reflect whether it was a type 1 or type 2 NPI
- The disciplinary actions found on a provider's license were general and not as detailed as UDOH needs
- The SSN was not found due to the provider using its Tax ID number

Although UDOH staff saw some value from the product during the trial, they felt that the information would need to be more current and have more detailed sanction information to add value to the process. Without the real-time information, staff members still have to check additional databases to obtain the needed information. Another concern was that if UDOH staff relied on the LexisNexis tool, they may unwittingly enroll providers who have recent disciplinary action not yet available in the LexisNexis database and who should be excluded from enrollment with Utah Medicaid as a provider because of those disciplinary actions.

Overall, UDOH is concerned about the cost effectiveness of this product. Although some time could be saved, a charge per search would be quite costly and have a large impact on an already strained administrative budget. Ongoing access to the databases would cost several hundred thousand dollars a year. UDOH's Provider Enrollment staff already use a systematic approach for collection and verification of a provider's professional qualifications. The review includes relevant training, licensure, certification, and/or registration to practice in a healthcare field, and academic background, as well as an assessment of whether the provider meets certain criteria relating to professional competence and conduct. The databases that Utah Medicaid currently uses for the credentialing process help the staff evaluate the qualifications of providers who provide care to Medicaid clients. This process is completed before a practitioner is accepted for participation in Utah Medicaid.

Recommendations for further action:

- Do not continue use of the LexisNexis tool after the pilot because the additional costs of the tool on a charge-per-search basis do not appear justified.
- Perform a cost-benefit analysis to determine the merit of contracting with LexisNexis for ongoing services, if the one-time match of Medicaid providers on a sample basis proves productive and the statewide contract can be used for ongoing database match services,.

ASSET VERIFICATION

House Bill 256 from the 2011 Legislative General Session established the following asset verification option in law:

(3) (a) The department may enter into an agreement with a financial institution doing business in the state to develop and operate a data match system to identify an applicant's or enrollee's assets that:

(i) uses automated data exchanges to the maximum extent feasible; and

(ii) requires a financial institution each month to provide the name, record address, Social Security number, other taxpayer identification number, or other identifying information for each applicant or enrollee who maintains an account at the financial institution.

(b) The department may pay a reasonable fee to a financial institution for compliance with this Subsection (3), as provided in Section 7-1-1006.

(c) A financial institution may not be liable under any federal or state law to any person for any disclosure of information or action taken in good faith under this Subsection (3).

(d) The department may disclose a financial record obtained from a financial institution under this section only for the purpose of, and to the extent necessary in, verifying eligibility as provided in this section and Section 26-40-105.

The law also specified that this asset verification process would only be put in place if grant funds were available. UDOH approached the Robert Wood Johnson Foundation to see if existing grant funds could be used for this project. The foundation has tentatively approved this project. UDOH and DWS have been meeting to develop appropriate policy and procedures related to this project.

The proposed Asset Verification System (AVS) would electronically identify accounts held by Medicaid clients at participating financial institutions. AVS will be developed in house, utilizing a batch interface with participating financial institutions throughout Utah. AVS is expected to identify existing assets that go unreported by the client, which will reduce error rates and improve fraud prevention efforts.

A monthly batch file will be sent to the participating financial institutions requesting account information on identified Medicaid clients. Upon receipt of the batch file from the financial institution, account information will be loaded. Account information will compare current account information in eREP and notify the eligibility worker of new asset information reported. The worker will request the client validate the information and provide verification as needed.

UDOH and DWS expect that this verification process will be in place by July 1, 2012, as required by state law.

Recommendation for further action:

- Continue development of AVS as authorized by House Bill 256 (2011) and implement by July 1, 2012.

BENEFICIARY SCREENING

The State has designated UDOH as Utah's Medicaid "Single State Agency," which means it is the state agency accountable to the federal government for all aspects of the Medicaid program. DWS, through an interagency contract with UDOH, performs all Medicaid eligibility determinations. As part of the DWS process for making the eligibility determinations, workers conduct extensive beneficiary screening through the eFIND system. A search is conducted upfront using the eFIND system when a customer applies or recertifies for Medicaid. eFIND contains many data sources including, but not limited to; social security income, child support income, unemployment compensation, wage data through the Work Number and UI quarterly wages, citizenship, motor vehicles, etc.

DWS recently implemented automation of three data sources from eFIND, in conjunction with the online recertification process. These three data sources are automatically populated to the eREP system, which is used to determine eligibility for Medicaid.

In the future, DWS plans to implement automation of additional data sources available in eFIND, to the eREP system. This automation would involve directly populating the available data to eREP anytime there is an update to the data, without a worker having to request the data through eFIND. This ensures the data is correctly used to determine eligibility.

One-Time Data Match

As with provider screening, UDOH and/or DWS could contract with a vendor to run additional matches through the vendor's databases. These could be done on a one-time basis to identify the potential for additional data elements to be used in ongoing screening efforts and eventually incorporated into eFind and eREP. The vendor would flag any cases where outlying information was found and UDOH and DWS would use this sample information to explore the applicability, costs and feasibility of incorporating these screening elements into the upfront eligibility processes at the time of application or recertification.

As discussed in relation to provider screening, one vendor, LexisNexis, is currently working on a statewide contract with the State's Division of Purchasing and General Services (State Purchasing). LexisNexis asserts that the Medicaid client data match could be carried out under this statewide contract once it is established.

Recommendations for further action:

- Pursue the planned automation of eFIND data to the eREP system to ensure accurate data is used in eligibility determinations.
- Determine with State Purchasing if a statewide contract with LexisNexis can be used for a one-time data match on Medicaid clients.

- Obtain a price from LexisNexis for running a sample of or the entire list of current Medicaid clients against their databases, if the contract can be used to conduct the Medicaid client match.
- Provide LexisNexis with Medicaid client information and obtain from LexisNexis a sample list of clients with concerning information, if the contract can be used to conduct the Medicaid client match. UDOH and DWS staff will follow up on flagged cases to determine cost savings and other any other ongoing benefits from incorporating the data matches into ongoing eligibility determination processes.
- Perform a cost-benefit analysis to determine if the savings merit the cost of paying LexisNexis for a match against all Medicaid clients, if the contract can be used to conduct the Medicaid client match. If the one-time match of Medicaid clients on a sample basis proves productive and the statewide contract can be used for ongoing database match services, perform a cost-benefit analysis to determine the merit of contracting with LexisNexis for ongoing services for beneficiary screening.