

Appendix A

List of Recommendations

- Recommendation 1-1** We recommend the Department of Human Services promote a culture of identifying potential Medicaid fraud and abuse. At a minimum, the Department should:
- a) Establish adequate policies and procedures for identifying potential Medicaid fraud and abuse including definitions and steps to take when indications of potential Medicaid fraud and abuse are identified;
 - b) Clearly define employees' responsibilities of identifying potential Medicaid fraud and abuse;
 - c) Communicate such responsibilities to employees; and
 - d) Provide adequate training for identifying potential fraud and abuse to employees.
- Recommendation 1-2** We recommend the Department of Human Services comply with federal requirements and ensure an effective surveillance and review process is established to protect the integrity of the Medicaid program.
- Recommendation 1-3** We recommend the Department of Human Services ensure the Surveillance and Utilization Review System Unit is sufficiently organized outside the control of the other Medicaid operations so the Unit can objectively perform its functions.
- Recommendation 1-4** We recommend the Department of Human Services review staffing of the Surveillance and Utilization Review System Unit and the Fraud and Abuse Unit. At a minimum, the review should:
- a) Identify duties/responsibilities of the units' employees which are not a responsibility of the units;
 - b) Determine whether duties can be reassigned; and
 - c) Ensure adequate resources exist for fulfilling mandatory responsibilities of the units.
- Recommendation 1-5** We recommend the Department of Human Services ensure the administrator of the Surveillance and Utilization Review System Unit has the necessary knowledge and skills to conduct utilization reviews and identify suspected fraud by requiring the administrator to have the necessary qualifications as required by the Medicaid program.
- Recommendation 1-6** We recommend the Department of Human Services provide appropriate and convenient methods to report potential Medicaid fraud and abuse. The Department should:
- a) Establish a dedicated 1-800 number for reporting fraud and abuse and/or add an option to the current Medical Services Division number dedicated to reporting fraud and abuse; and/or
 - b) Have an online form which can be submitted electronically.

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- Recommendation 2-1** We recommend the Department of Human Services submit a new request to the federal government for a Medicaid Fraud Control Unit waiver. Based on the determination from the federal government, the Department should:
- a) Take appropriate action to establish a Medicaid Fraud Control Unit in the state of North Dakota; or
 - b) Ensure adequate resources are made available to efficiently and effectively investigate and refer Medicaid provider fraud and abuse.
- Recommendation 2-2** We recommend the Department of Human Services comply with federal requirements and take appropriate action when a provider is suspected of fraud or abuse following a preliminary investigation. When applicable, the Department should:
- a) Conduct full investigations; or
 - b) Refer the case to an appropriate law enforcement agency.
- Recommendation 2-3** We recommend the Department of Human Services make improvements with the denied claims information received from the Quality Improvement Organization. At a minimum, the Department should:
- a) Effectively monitor and identify patterns of inappropriate billings; and
 - b) Ensure inappropriate billing information is provided to the Surveillance and Utilization Review System Unit.
- Recommendation 2-4** We recommend the Department of Human Services improve the post-payment review process of Medicaid providers to ensure fraud and abuse are effectively identified.
- Recommendation 2-5** We recommend the Department of Human Services take appropriate action with ambulance provider claims to ensure Medicaid funds are properly expended. At a minimum, the Department should:
- a) Ensure recovery of inappropriately paid claims;
 - b) Perform an analytical review of ambulance provider claims; and
 - c) Conduct necessary investigations of suspected provider fraud or abuse.
- Recommendation 2-6** We recommend the Department of Human Services make improvements with the audits/reviews conducted on Qualified Service Providers. At a minimum, the Department should:
- a) Conduct analytical reviews of data to identify areas to audit/review;
 - b) Ensure adequate resources exist to conduct audits/reviews of Qualified Service Providers; and
 - c) Forward indications of Medicaid fraud and abuse to the Surveillance and Utilization Review System Unit, as applicable.

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Recommendation 2-7	We recommend the Department of Human Services establish policies and procedures for conducting investigations of potential Medicaid provider fraud and/or abuse.
Recommendation 2-8	We recommend the Department of Human Services establish policies and procedures for referring suspected Medicaid provider fraud.
Recommendation 2-9	<p>We recommend the Department of Human Services review practices related to sanctions of Medicaid providers and make appropriate changes to use such options when applicable. At a minimum, the Department should:</p> <ul style="list-style-type: none">a) Review and update North Dakota Administrative Code Chapter 75-02-05 and ensure rules are consistent with the Code of Federal Regulations requirements; andb) Ensure civil penalties and other sanctions are imposed, as applicable, following investigations of providers which identify inappropriate billings, fraud, and/or abuse.
Recommendation 3-1	<p>We recommend the Department of Human Services comply with federal requirements following preliminary investigations of Medicaid recipients. When applicable, the Department should:</p> <ul style="list-style-type: none">a) Refer the case to an appropriate law enforcement agency if there is reason to believe a recipient has defrauded the Medicaid program; andb) Conduct a full investigation of abuse if there is reason to believe a recipient has abused the Medicaid program.
Recommendation 3-2	<p>We recommend the Department of Human Services make improvements communicating indications of fraud and/or abuse identified with any program recipient. At a minimum, the Department should:</p> <ul style="list-style-type: none">a) Ensure the Surveillance and Utilization Review System Unit and/or Fraud and Abuse Unit are notified of all indications of potential Medicaid recipient fraud and/or abuse;b) Communicate indications of fraud and/or abuse to other applicable program areas; andc) Analyze the benefits of centralizing fraud and abuse information and work for all programs within the Department.
Recommendation 3-3	We recommend the Department of Human Services establish policies and procedures for conducting investigations of potential Medicaid recipient fraud and/or abuse.
Recommendation 3-4	We recommend the Department of Human Services establish policies and procedures for referring suspected Medicaid recipient fraud.
Recommendation 3-5	We recommend the Department of Human Services conduct a formal cost/benefit analysis to determine if the reestablishment of Welfare Fraud Units within North Dakota is warranted.

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Recommendation 3-6

We recommend the Department of Human Services modify requirements in the Medicaid Program Policy Manual related to county social services offices referring all recipient errors to the State's Attorney's Office. At a minimum, the Department should:

- a) Establish criteria for recipient errors which must be reported to the Surveillance and Utilization Review System Unit; and
- b) No longer require counties to refer all recipient errors to the State's Attorney's Office.