

PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA PROGRAM INTEGRITY (PI) CHECKLIST

STATE:

DATE OF REVIEW:

REVIEWER:

PROGRAM INTEGRITY (PI) CHECKLIST

PROGRAM INTEGRITY (PI) CHECKLIST BACKGROUND

Background for this checklist:

1. Program Integrity involves the analysis of data collected from Medicaid operations to identify patterns that can lead to improvements in the Medicaid program or the detection and correction of misuse and abuse of the program.
2. This checklist replaces the Surveillance and Utilization Review (SUR) checklist previously used for certification.
3. A Decision Support System/Data Warehouse may be used to support the functions referred to in this checklist. If so, both the DSS/DW and the Program Integrity checklists should be applied to the MMIS.
4. Program Integrity functions have created a specialized vocabulary. The following terms may be found in the System Review Criteria in this checklist:
 - Class Group – a.k.a., Peer Group, a collection of providers, Beneficiaries, or other entities that share common demographics, identifiers, location, statistics or other accessible indicators. Examples: all providers in County x, serving more than 100 unduplicated Beneficiaries in the past year, reporting medical services 1-20, with 25% hospital admissions ...; or, all Beneficiaries aged 65 or older receiving one or more Waiver service this year.
 - Norm –The value obtained by dividing the sum of a set of quantities by the number of quantities in the set. Also called *average* or *mean*.
 - Standard Deviation – The standard deviation is a measure of the spread of a set of values from the mean value. The higher the standard deviation, the more diverse is the experience reported (as in “all over the map”). The tighter the deviation, the more the behavior is clustered around the norm.
 - Standard Rates – Industry measures such as “Days per 1000 patients”, “Office visits per 1000 patients”; average length of stay
 - Outlier – Any individual or service whose behavior is beyond an upper or lower limit as defined by users or calculated.
 - Exception – An individual or service who exceeds system calculated or user defined parameters.
 - Utilization – Consumption of Medicaid services
 - Patterns – System identified repeating occurrences of events, relationships. May also be user defined.
 - Severity – Degree of importance of the deviation or exception observed.
 - Lock-in – Processes of limiting a Beneficiary to use of specific medical and/or pharmacy providers in an attempt to curb inappropriate use of Medicaid benefits
 - Lock-out – Process of flagging providers who cannot serve the Lock-in population due to a history of providing inappropriate services or providing services which exceed established clinical guidelines.

PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA PROGRAM INTEGRITY (PI) CHECKLIST

PROGRAM INTEGRITY (PI) CHECKLIST BACKGROUND

- Under utilization – Occurring mostly in at risk managed care program populations: indication that services are being withheld (presumably in order to reduce expense)
- Over utilization – Occurring mostly in fee-for-service programs: tendency to provide more services than necessary (presumably as a means to increase revenue)
- Weighting and ranking – User-applied values that assign more weight to certain items so that they will count more in determining exceptions.
- Exception processing – Any rules-based operation that results in identifying individuals or services whose observed behavior deviate from established norms or limits.

Sources for the criteria in this checklist are as follows:

SMM – State Medicaid Manual, MMIS Section, available from <http://www.cms.hhs.gov/Manuals/PBM/list.asp>, Document 45

CFR – Code of Federal Regulations, available from <http://www.access.gpo.gov/uscode/title42/title42.html>

<http://www.access.gpo.gov/uscode/title45/title45.html>

IBP – Industry Best Practices. Items are selected from RFPs for MMISs developed by states and approved by CMS.

BUSINESS OBJECTIVES

Reference #	Business Objectives	Comments
PI1	Improve delivery of health care services and the integrity of the Medicaid program by reducing waste, fraud, and abuse through analysis of provider performance.	
PI2	Improve delivery of health care services and the integrity of the Medicaid program by reducing waste, fraud, and abuse through analysis of Beneficiary utilization.	
PI3	Support analysis of and provide reports for fraud and abuse analysis and investigations.	
PI4	Identify and analyze program trends and directions in provider, Beneficiary, and service utilization and expenditure patterns.	
PISS1	<i>Add State-specific business objectives for the Program Integrity business area here.</i>	

**PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA
PROGRAM INTEGRITY (PI) CHECKLIST**

PI1 – IMPROVE DELIVERY OF HEALTH CARE AND THE INTEGRITY OF THE MEDICAID PROGRAM BY REDUCING FRAUD AND ABUSE THROUGH ANALYSIS OF PROVIDER PERFORMANCE					
Ref #	System Review Criteria	Source	Yes	No	Comments
PI1.1	Produces comprehensive statistical profiles of provider health care practices by peer groups for all categories of service(s) authorized under the Medicaid program.	SMM			
PI1.2	Automatically identifies deficiencies and generates reports on levels of care and quality of care by provider type.	SMM			
PI1.3	Automatically reports on the details of the practice of providers identified as exceptions or outliers.	SMM			
PI1.4	Provides the capability to profile provider groups and individual providers within group practices.	SMM			
PI1.5	Automatically identifies exceptions to norms of practice established by the agency for any type of provider covered by the State plan.	SMM			
PI1.6	Displays all data by National Provider Identifier (NPI) or by a subset of the provider's practice.	CFR			
PI1.7	Profiles primary care case managers, including all referrals and other services received by their enrollees.	IBP			
PI1.8	Performs analysis of rendering, ordering, and billing practices to generate reports of aberrant utilization and/or billing patterns.	SMM			

**PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA
PROGRAM INTEGRITY (PI) CHECKLIST**

**PI1 – IMPROVE DELIVERY OF HEALTH CARE AND THE INTEGRITY OF THE MEDICAID PROGRAM BY
REDUCING FRAUD AND ABUSE THROUGH ANALYSIS OF PROVIDER PERFORMANCE**

Ref #	System Review Criteria	Source	Yes	No	Comments
PI1.9	Applies clinically approved guidelines against episodes of care to identify instances of treatment inconsistent with guidelines.	SMM			
PI1.10	Generates early warning reports of high-cost services and service misutilization based on current payment data to quickly identify high volume practices.	IBP			
PI1SS.1	<i>Add State-specific criteria for this objective here. Example: Provides an annual ranking list (by dollars) of utilizing providers, by program, including listings for the Top 100 for each category.</i>				

**PI2 – IMPROVE DELIVERY OF HEALTH CARE AND THE INTEGRITY OF THE MEDICAID PROGRAM BY
REDUCING FRAUD AND ABUSE THROUGH ANALYSIS OF BENEFICIARY UTILIZATION**

Ref #	System Review Criteria	Source	Yes	No	Comments
PI2.1	Automatically identifies exceptions to norms of utilization or quality of care standards established by the agency for any type of Beneficiary covered by the State plan.	SMM			
PI2.2	Tracks Federally-assisted program participants separately from other categories of assistance.	SMM			
PI2.3	Identifies Beneficiaries who exceed program norms, ranked in order of severity.	SMM			
PI2.4	Identifies services received by Beneficiaries who are enrolled in selected programs.	SMM			

**PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA
PROGRAM INTEGRITY (PI) CHECKLIST**

**PI2 – IMPROVE DELIVERY OF HEALTH CARE AND THE INTEGRITY OF THE MEDICAID PROGRAM BY
REDUCING FRAUD AND ABUSE THROUGH ANALYSIS OF BENEFICIARY UTILIZATION**

Ref #	System Review Criteria	Source	Yes	No	Comments
PI2.5	Identifies services received by Beneficiaries who have specified diagnoses.	IBP			
PI2.6	Links all services to a single Beneficiary regardless of the number of historical changes in Beneficiary ID.	IBP			
PI2.7	Profiles all services provided to a Beneficiary during a single episode of care.	IBP			
PI2.8	Provides a methodology and generates a report to classify treatment modalities into peer group categories, by diagnosis or range of diagnosis codes.	IBP			
PI2.9	Has the capability to generate reports of individual Beneficiaries by peer group.	IBP			
PI2SS.1	Add State-specific criteria for this objective here.				

**PI3 – SUPPORT ANALYSIS OF AND PROVIDE REPORTS FOR FRAUD AND ABUSE ANALYSIS AND
INVESTIGATIONS**

Ref #	System Review Criteria	Source	Yes	No	Comments
PI3.1	Utilizes a minimum level of manual clerical effort in providing information that reveals potential defects in level of care and quality of service.	SMM			
PI3.2	Provides ability to perform analyses and produce reports responsive to requests from title XIX managers, QIO and State Medicaid fraud control units by means of computerized exception processing techniques.	SMM			

**PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA
PROGRAM INTEGRITY (PI) CHECKLIST**

PI3 – SUPPORT ANALYSIS OF AND PROVIDE REPORTS FOR FRAUD AND ABUSE ANALYSIS AND INVESTIGATIONS					
Ref #	System Review Criteria	Source	Yes	No	Comments
PI3.3	Selects claims and encounter data dating back to whatever time period is appropriate for the specific research.	SMM			
PI3.4	Supports the capability to produce claim and encounter detail and special reports by provider-type and Beneficiary classification (e.g., category of service—COS) and other key variables (e.g., Group Practice, Case).	SMM			
PI3.5	Supports capability to perform focused review and to generate reports of all reviews undertaken	SMM			
PI3.6	Has the capability to suppress processing on an individual within specified categories on a run-to-run basis.	SMM			
PI3.7	Provides access to all data elements outlined in the SMM Part 11, section 11335 and all additional data required for appropriate analysis of the program.	SMM			
PI3.8	Generates reports as needed.	SMM			
PI3.9	Tests criteria and develops algorithms for expected outcomes prior to production of reports.	IBP			
PI3.10	Facilitates export of claims-based class groupings such that data can be used by spreadsheet or database software.	IBP			
PI3.11	Supports fraud and abuse investigations.	SMM			

**PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA
PROGRAM INTEGRITY (PI) CHECKLIST**

PI3 – SUPPORT ANALYSIS OF AND PROVIDE REPORTS FOR FRAUD AND ABUSE ANALYSIS AND INVESTIGATIONS

Ref #	System Review Criteria	Source	Yes	No	Comments
PI3.12	Supports pattern recognition and provides an automated fraud and abuse profiling system for the ongoing monitoring of provider and Beneficiary claims to detect patterns of potential fraud, abuse and excessive billing.	IBP			
PI3.13	Provides and stores all utilization reports in the medium designated by the State.	IBP			
PI3.14	Provides the flexibility to vary time periods for reporting purposes and to produce reports on daily, monthly, quarterly basis, or other frequency specified by the State.	SMM			
PI3.15	Maintains a process to apply weighting and ranking of exception report items to facilitate identifying the highest deviators.	IBP			
PI3.16	Provide for development and implementation of technical and user training programs.	SMM			
PI3SS.1	<i>Add State-specific criteria for this objective here. Example: Maintains thirty-six (36) months of utilization review and quality assurance reports available for on-line viewing and printing or downloading at the State's request.</i>				

PROGRAM INTEGRITY MANAGEMENT BUSINESS AREA PROGRAM INTEGRITY (PI) CHECKLIST
--

PI4 – IDENTIFY AND ANALYZE PROGRAM TRENDS AND DIRECTIONS IN PROVIDER, BENEFICIARY, AND SERVICE TYPE UTILIZATION AND COSTS					
--	--	--	--	--	--

Ref #	System Review Criteria	Source	Yes	No	Comments
PI4.1	Investigates and reveals misutilization of the state's Medicaid program services by individual participants and promotes corrective action.	SMM			
PI4.2	Develops provider, physician, and patient profiles sufficient to provide specific information as to the use of covered types of services and items, including prescribed drugs.	SMM			
PI4SS.1	<i>Add State-specific criteria for this objective here.</i>				

PISS1 - FIRST STATE-SPECIFIC OBJECTIVE					
---	--	--	--	--	--

Ref #	System Review Criteria	Source	Yes	No	Comments
PISS1.1	<i>Add criteria based on the APD, RFP, etc., that are relevant to this State-specific objective.</i>				