

MEDICAID PROGRAM INTEGRITY MANUAL
CHAPTER 8 – NATIONAL AUDIT PROGRAM
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(Rev. 1, Issued: 09-23-11)

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8000 – TYPES OF CONTRACTORS

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

Section 1936 of the Act requires CMS to enter into contracts to perform four key program integrity activities:

1. Review provider actions;
2. Audit claims;
3. Identify overpayments; and
4. Educate providers, managed care entities, beneficiaries and others with respect to payment integrity and quality of care.

CMS has awarded umbrella contracts to several contractors to perform the functions outlined above. These contractors are known as the Medicaid Integrity Contractors (MICs). There are three types of MICs: Review MICs, Audit MICs, and Education MICs.

8005 – REVIEW MICs

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

The Review MICs are responsible for performing the following functions:

- Conducting data mining analysis and performing risk assessment of Medicaid data including, but not limited to, claims for payment under a State plan under Title XIX or any approved waiver of such plan; and
- Developing data mining tools to analyze the Medicaid data including, but not limited to, paid claims.

8010 – AUDIT MICs

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

Audit MICs take the results of the Review MIC's data mining efforts in order to perform the following functions:

- Identifying overpayments to individuals or entities receiving Federal funds by conducting both comprehensive and focused audits of individuals and entities, including but not limited to, Fee for Service (FFS) providers and MCOs, by reviewing the medical documentation and other supporting information for paid Medicaid claims of items or services furnished under a State plan in accordance with Title XIX of the Act; and
- Identifying whether possible fraud, waste or abuse has occurred.

8015 – EDUCATION MICs

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

Education MICs educate providers of services, MCEs, Medicaid beneficiaries and others about Medicaid payment integrity and quality of care issues. Another goal of the Education MICs is to highlight the value of education in preventing fraud, waste, and abuse in the Medicaid program.

8020 – COORDINATION AMONG CONTRACTORS

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

The MICs will work cooperatively with other entities, including, but not limited to other MIC Contractors, Medicare Integrity Program contractors and any other specialty contractors.

8025 – CONFLICTS OF INTEREST

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

8025.1 – PURPOSE

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

This subpart describes general policies related to personal, organizational and consultant conflicts of interest in the context of MIG contracting. This policy provides information and guidelines to help avoid a conflict of interest or the appearance of a conflict of interest during the acquisition and contracting processes and serves to remind contractors, contracting officers and other personnel (Project Officers, Government Task Leaders) of certain restrictions on conduct when interacting with vendors, contractors and potential contractors.

The CMS contracting officers and government contractors are expected to adhere to Federal Acquisition Regulations (FAR) (48 CFR §1 *et seq.* (2010)), related Federal laws and regulations, as well as policies established by the CMS and articulated in the Statements of Work and other contract related documents. (See <https://www.acquisition.gov/far/> and <http://www.gpoaccess.gov/cfr/>.)

8025.2 – REQUIREMENTS

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

The contractor should make every effort to conduct a self-review of possible conflicts of interest pre-award, and conduct ongoing post award reviews. The following examples of potential conflicts of interest related to the MIP must be identified during the contracting process and mitigated accordingly (this list is not all-inclusive):

- The contractor's key personnel include a stakeholder with conflicting financial or personal interests (e.g., the medical director has a financial interest in the audit target);
- The contractor's personnel and/or performance on concurrent contracts may suggest that decisions on the collection, analysis and interpretation of data may be compromised;
- The contractor or the MIG identifies an apparent organizational COI that, because of other activities or relationships with other persons or entities, the contractor is unable to render impartial and objective assistance or advice to the government;
- The contractor performed advisory, consulting, analytical, evaluation, study, or similar work in the project planning that may preclude participation in any capacity in government contractual efforts which stem directly from the planning efforts; and/or
- The contractor receives any fee, compensation, gift, payment of expenses, or any other thing of value from any entity that is reviewed, evaluated, or audited under the contract.

8025.3 – ACTION REQUIRED WHERE CONFLICT OF INTEREST IS IDENTIFIED

(Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11)

MIG personnel will work with the contracting officer to avoid, neutralize, and/or mitigate significant potential conflicts before the contract is awarded. (*See FAR 9.504*)

Throughout the contracting process, and post-award, all parties should be cognizant of potential or actual conflicts of interest, as renewals and follow-ons can be affected. The contracting officer may direct the contractor to mitigate the adverse effects in accordance with Federal law and regulations, and the terms of the contract. Additionally, where mitigation is not appropriate or applicable, MICs will work with the contracting officer to support other action prior to award selection, as well as post-award. This may include non-selection of a contractor; modification or termination of the contract; recusal of parties subject to the conflict, the continuation of a contract based on cost benefit analysis, and other appropriate resolution responses.

Contractors are required to notify the CMS if a potential or actual conflict of interest exists at any time while performing the requirements of the contracts. If a conflict of interest exists, the contractor must identify the actual or potential conflict and submit a mitigation plan, if the issue can in fact be mitigated. The contractor and/or the CMS will analyze the issue, and determine the appropriate course of action. Each individual contracting situation should be examined based on its particular facts and the nature of the proposed contract.

Transmittals Issued for this Chapter

Rev #	Issue Date	Subject	Impl Date	CR#
R1MPI	09/23/2011	Initial Publication of Manual	09/23/2011	NA

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