



North Carolina Department of Health and Human Services
Division of Medical Assistance

2501 Mail Service Center • Raleigh, N. C. 27699-2501 • Tel 919-855-4100 • Fax 919-733-6608

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craigian L. Gray, MD, MBA, JD, Director

April 4, 2012

Subject: Program Integrity Reviews and Expectations

Dear County Director of Social Services:

North Carolina Division of Medical Assistance is committed to combating recipient fraud, waste, and abuse within the Medicaid and North Carolina Health Choice (NCHC) programs. In order to assure the integrity of the Medicaid and NCHC programs, the Division is increasing monitoring and oversight efforts. As part of these efforts, the Division will be ensuring that county departments of social services are actively pursuing the investigation and collection of recipient overpayments.

Federal regulations in 42 CFR 255 and 42 CFR 257 require each state to investigate fraud, waste, and abuse of the Medicaid and North Carolina Health Choice (NCHC) programs. County departments of social services in North Carolina must comply with federal and state regulations and policies mandating investigation of recipient fraud, waste, and abuse in these programs.

Each county should increase the number of claims established and the amount of collections of overpayments for State Fiscal Year (SFY) 2012 by three percent from the prior state fiscal year. The number of claims established and overpayment collections should increase by ten percent for SFY 2013. Attached is a chart showing the number of claims established and the amount of collections for each county for SFY 2011. If counties are unable to increase claims establishment and collections, the Division is considering eliminating incentives and administrative funds for counties.

Effective May 2012, as part of the Division's oversight of the Medicaid and NCHC programs, Quality Assurance staff will begin conducting program integrity reviews in all 100 counties. County directors of social services will be notified of the reviews two weeks in advance. Results of the reviews will be shared with the counties.

A major part of the reviews will involve assessing the processing of referrals and the handling of repayments of overpayments. The attached list of Enterprise Program Integrity Control System (EPICS) reports will also be monitored during the reviews.

If you have any questions, please contact Quality Assurance at 919-647-8000.

Sincerely,

Craigian L. Gray, MD, MBA, JD, Director

CLG/slb
Attachments



Program Integrity Medicaid and NCHC EPICS Reports

Report Number and Name	Frequency	Retention Schedule	Actions Required/Purpose of Report
FRD104 County Refund Report	Daily	Three years	Review for accuracy and refund any overpaid amount to the debtor. Notate your actions on report.
FRD204 Unassigned Cases Report	Weekly	Three Years	Use as a management tool to assign referrals to staff.
FRD425 Investigators Maintenance Report - Delinquency	Monthly	Three Years	Use to send demand letters to delinquent debtors. Include date the demand letters were mailed, and a copy of letter.
FRD441 Collections Report	Monthly	Three Years	Reconcile with cash receipts to ensure all payments have posted.
FRD470 Medicaid Profile Follow-up Case Management Report	Monthly	Three Years	Used to identify Medicaid claims for which a profile must be ordered.

SFY 2011 Collections and Claims Established

County	SFY 2011 Collections	Number of Claims Established in SFY 2011
Alamance	\$20,583.61	10
Alexander	\$ 863.00	0
Alleghany	\$9,873.72	4
Anson	\$10,408.95	4
Ashe	\$2,383.50	3
Avery	\$6,809.64	2
Beaufort	\$3,658.40	1
Bertie	\$1,134.00	10
Bladen	\$18,402.76	22
Brunswick	\$27,453.31	53
Buncombe	\$6,173.35	0
Burke	\$6,585.61	5
Cabarrus	\$5,988.57	25
Caldwell	\$6,578.59	5
Camden	-	0
Carteret	\$6,618.66	16
Caswell	\$915.93	0
Catawba	\$67,785.50	25
Chatham	\$10,687.95	17
Cherokee	\$2,033.88	7
Chowan	\$9,116.83	12
Clay	\$3,113.49	18

County	SFY 2011 Collections	Number of Claims Established in SFY 2011
Cleveland	\$11,651.62	20
Columbus	\$21,297.29	21
Craven	\$28,866.33	17
Cumberland	\$22,964.74	9
Currituck	\$651.32	1
Dare	\$11,698.85	9
Davidson	\$61,979.13	62
Davie	\$5,665.12	12
Duplin	\$109,337.74	82
Durham	\$9,548.57	10
Edgecombe	\$519.46	0
Forsyth	\$11,620.09	4
Franklin	\$14,589.10	13
Gaston	\$11,633.44	3
Gates	\$1,433.42	1
Graham	\$951.00	4
Granville	\$10,032.88	1
Greene	\$1,020.83	1
Guilford	\$10,465.50	0
Halifax	\$4,801.70	9
Harnett	\$21,183.38	51
Haywood	\$6,482.41	26
Henderson	\$5,949.17	3
Hertford	\$1,564.00	0

County	SFY 2011 Collections	Number of Claims Established in SFY 2011
Hoke	\$8,983.57	7
Hyde	\$718.00	1
Iredell	\$68,579.01	44
Jackson	\$4,857.05	4
Johnston	\$4,478.23	20
Jones	\$3,188.40	3
Lee	\$54,006.72	24
Lenoir	\$10,340.30	14
Lincoln	\$4,411.39	13
Macon	\$947.00	0
Madison	\$4,143.30	0
Martin	\$204.48	3
McDowell	\$5,882.40	7
Mecklenburg	\$63,742.84	80
Mitchell	-	0
Montgomery	\$1,903.03	2
Moore	\$22,398.87	2
Nash	\$22,456.24	21
New Hanover	\$51,676.03	38
Northampton	-	0
Onslow	\$12,361.48	44
Orange	\$183.75	0
Pamlico	\$1,568.75	2
Pasquotank	\$20,266.18	24
Pender	-	0

County	SFY 2011 Collections	Number of Claims Established in SFY 2011
Perquimans	\$615.00	0
Person	\$10,487.37	12
Pitt	\$325.35	0
Polk	\$2,498.16	0
Randolph	\$6,665.62	41
Richmond	\$4,590.13	16
Robeson	\$10,638.29	12
Rockingham	\$14,885.63	8
Rowan	\$15,409.08	27
Rutherford	\$22,717.80	13
Sampson	\$34,686.66	32
Scotland	\$29,233.62	8
Stanly	\$1,824.00	0
Stokes	\$9,630.75	4
Surry	\$1,267.66	0
Swain	-	2
Transylvania	\$857.41	2
Tyrrell	\$420.00	0
Union	\$43,310.40	7
Vance	\$1,254.73	10
Wake	\$146,713.00	96
Warren	\$536.50	0
Washington	\$3,198.97	2
Watauga	-	0
Wayne	\$3,585.80	2

County	SFY 2011 Collections	Number of Claims Established in SFY 2011
Wilkes	\$33,790.31	38
Wilson	\$42,906.74	15
Yadkin	\$2,924.81	4
Yancey	\$11,071.17	7