

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**KENTUCKY MADE ALMOST \$2
MILLION IN UNALLOWABLE
CAPITATION PAYMENTS FOR
BENEFICIARIES WITH MULTIPLE
MEDICAID ID NUMBERS**

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Deputy Inspector General
for Audit Services**

**December 2021
A-04-20-07094**

Office of Inspector General

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Report in Brief

Date: December 2021

Report No. A-04-20-07094

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Previous Office of Inspector General audits identified Federal Medicaid reimbursement for managed care payments that were not claimed in compliance with Federal requirements. Specifically, some beneficiaries enrolled in Medicaid managed care had more than one Medicaid identification (ID) number. As a result, Medicaid managed care organizations (MCOs) received unallowable monthly Medicaid payments for these beneficiaries.

Our objective was to determine whether the Kentucky Cabinet for Health and Family Services (Kentucky) made unallowable capitation payments on behalf of beneficiaries with multiple Medicaid ID numbers.

How OIG Did This Audit

Our audit covered approximately \$6.97 million (\$4.94 million Federal share) in Medicaid capitation payments Kentucky made to MCOs from July 1, 2015, through June 30, 2019, for the 1,634 beneficiary matches that we identified. We selected and reviewed a stratified random sample of 100 of these beneficiary matches.

Kentucky Made Almost \$2 Million in Unallowable Capitation Payments for Beneficiaries With Multiple Medicaid ID Numbers

What OIG Found

Kentucky made unallowable capitation payments on behalf of beneficiaries with multiple Medicaid ID numbers. Of the 100 beneficiary matches in our sample, Kentucky correctly made capitation payments on behalf of 3. However, it incorrectly made capitation payments that totaled \$455,296 (\$323,126 Federal share) on behalf of the remaining 97.

The unallowable capitation payments occurred because the beneficiaries had multiple Medicaid ID numbers. According to Kentucky, the beneficiaries had multiple ID numbers because either the beneficiaries themselves or the caseworkers entered demographic data incorrectly during the application process.

On the basis of our sample results, we estimated that Kentucky made unallowable capitation payments totaling at approximately \$2.7 million (\$1.9 million Federal share) on behalf of beneficiaries with multiple Medicaid ID numbers during our audit period.

What OIG Recommends and Kentucky Comments

We recommend that Kentucky: (1) refund to the Federal Government approximately \$1.9 million (Federal share) in unallowable payments, (2) review capitation payments that fell outside of our audit period and refund any unallowable payments, and (3) enhance or establish new controls to ensure that no beneficiary is issued multiple Medicaid ID numbers.

In written comments on our draft report, Kentucky agreed with our findings but disagreed with refunding the extrapolated amount. It said that it was conducting its own audit of the entire population of payments made during our audit period. In addition, Kentucky described the corrective actions that it plans to take to address our recommendations.

After reviewing Kentucky's comments, we maintain that it should refund the extrapolated amount of approximately \$1.9 million (Federal share).

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INTRODUCTION

WHY WE DID THIS AUDIT

Previous Office of Inspector General (OIG) audits¹ identified Federal Medicaid reimbursement for managed care payments that were not claimed in compliance with Federal requirements. Specifically, some beneficiaries enrolled in Medicaid managed care had more than one Medicaid identification (ID) number. As a result, Medicaid managed care organizations (MCOs) received unallowable monthly Medicaid payments for these beneficiaries.

OBJECTIVE

Our objective was to determine whether the Kentucky Cabinet for Health and Family Services (State agency) made unallowable capitation payments on behalf of beneficiaries with multiple Medicaid ID numbers.

BACKGROUND

The Medicaid Program

The Medicaid program provides medical assistance to certain low-income individuals and individuals with disabilities (Title XIX of the Social Security Act (the Act)). The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. The State plan establishes which services the Medicaid program will cover. Although a State has considerable flexibility in designing and operating its Medicaid program, it must comply with Federal requirements.

Kentucky's Medicaid Managed Care Program

The State agency is responsible for the administration of the Kentucky Medicaid program. The State agency's Department of Medicaid Services (DMS) contracts with MCOs to provide coverage for most Kentucky Medicaid beneficiaries. MCOs process claims and provide disease management and prior authorizations, among other things, for their respective beneficiaries.

Capitation Payments

The State agency pays MCOs a monthly fee, known as a capitation payment, to ensure that an enrolled beneficiary has access to a comprehensive range of medical services. A capitation payment is "a payment the State makes periodically to a contractor on behalf of each beneficiary enrolled under a contract . . . for the provision of services under the State plan. The

¹ See Appendix B for related OIG reports.

State makes the payment regardless of whether the particular beneficiary receives services during the period covered by the payment” (42 CFR § 438.2). If a beneficiary is eligible and enrolled, and the MCO believes the capitation payment was in error due to underpayment, overpayment, or duplicate payment, the MCO may submit a payment adjustment request (Kentucky Medicaid Managed Care Contract, section 10.3).

Medicaid Eligibility and Assignment of Medicaid Identification Numbers

DMS contracts with the Department for Community-Based Services (DCBS) to manage the application process for Kentucky Medicaid. Individuals have many options when applying for Kentucky Medicaid: (1) online; (2) in person; (3) by completing the application at home and mailing, faxing, or hand-delivering it to a local DCBS office; (4) via telephone with a DCBS caseworker; or (5) by contacting a kynector² to help with their application.

Kentucky’s Integrated Eligibility and Enrollment System (IEES) determines whether applicants meet eligibility requirements. Medicaid eligibility information is transmitted to the IEES from various sources available through the Federal Data Services Hub (e.g., the U.S. Department of Health and Human Services, the Department of Homeland Security, the Internal Revenue Service, the Social Security Administration (SSA), etc.), as well as from data sources maintained by the State (i.e., State Wage Information Collection Agency).

After the IEES determines that a beneficiary is Medicaid-eligible, it normally assigns a Medicaid ID number. However, before establishing the beneficiary in the IEES, the State agency follows a process for detecting and preventing a beneficiary from being assigned more than one Medicaid ID number.

Detection and Prevention of Multiple Medicaid ID Numbers

The IEES receives a beneficiary’s data when the beneficiary or caseworker inputs the beneficiary’s information or SSA sends the beneficiary’s data via the State Data Exchange. Then, the IEES queries the Master Client Index (MCI)³ before creating a new Medicaid ID for the beneficiary and uses a matching process based on the beneficiary’s demographic data (name, DOB, gender, and SSN) to determine whether an individual ID⁴ for that beneficiary already exists in the MCI. If an individual ID exists, then the beneficiary has a Medicaid ID in the IEES. If an individual ID does not exist, then the IEES creates a new individual ID. The IEES then queries

² A kynector is a trained individual in the community who assists Kentucky residents in applying for health coverage (e.g. Medicaid).

³ The MCI is an independent module of the IEES that contains demographic information to uniquely identify individuals across multiple systems in the State agency.

⁴ An individual ID is specific to the IEES internal systems and is mapped to a Medicaid ID, which is known to all systems.

the Medicaid Management Information System (MMIS) using the beneficiary’s demographic data and performs a 7-step matching process⁵ to determine whether the beneficiary previously had a Medicaid ID number before it assigns a new one. If the MMIS shows that the beneficiary already has a Medicaid ID number, then the IEES uses the Medicaid ID number obtained from the MMIS to avoid assigning another number to the beneficiary. If not, then the IEES creates a new Medicaid ID number for the beneficiary and sends that ID to the MMIS (Appendix C).

HOW WE CONDUCTED THIS AUDIT

We limited our audit to Medicaid capitation payments that the State agency made to MCOs on behalf of Medicaid beneficiaries in Kentucky from July 1, 2015, through June 30, 2019 (audit period).⁶ From a detailed list of all capitation payments to MCOs during our audit period, we identified 1,634 instances of single beneficiaries that we could match to more than one Medicaid ID number.⁷ From the 1,634 beneficiary matches that we identified,⁸ for which the State agency made capitation payments totaling approximately \$6.97 million (\$4.94 million Federal share), we selected and reviewed a stratified random sample of 100.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendix C contains the State agency’s processes for detecting and preventing multiple Medicaid ID numbers, Appendix D contains our statistical sampling methodology, Appendix E contains our sample results and estimates, and Appendix F contains the Federal and State requirements.

⁵ The 7-step matching process begins with the first match criterion of first and last names, social security number (SSN), and DOB. Then, the second through seventh match criteria consist of matches based on various combinations of first and last names, first initial of first name, first four letters of first name, DOB, two out of three DOB components, gender, SSN, and pseudo number. Pseudo numbers are temporary SSNs that caseworkers assign to beneficiaries if they do not have SSNs or their SSNs are unknown.

⁶ The audit period encompassed the most current data available at the time we initiated our audit.

⁷ Throughout this report, we will refer to multiple Medicaid ID numbers assigned to what appears to be a single individual as “beneficiary matches.” We define a beneficiary match as more than one Medicaid ID number associated with a beneficiary that has both (1) the same or similar first and last names or the inverse of the exact or similar first and last names and (2) the same date of birth.

⁸ We performed data analytics to identify these 1,634 beneficiary matches.

FINDINGS

The State agency made unallowable capitation payments on behalf of beneficiaries with multiple Medicaid ID numbers. Of the 100 beneficiary matches in our sample, the State agency correctly made capitation payments on behalf of 3; however, the State agency incorrectly made capitation payments on behalf of the remaining 97, which totaled \$455,296 (\$323,126, Federal share).

The unallowable capitation payments occurred because the beneficiaries had multiple Medicaid ID numbers. According to the State agency, the beneficiaries had multiple ID numbers because either the beneficiaries themselves or the caseworkers entered demographic data incorrectly during the application process.

On the basis of our sample results, we estimated that the State agency made unallowable capitation payments totaling at least \$2,675,090 (\$1,894,643 Federal share) on behalf of beneficiaries with multiple Medicaid ID numbers during our audit period.

BENEFICIARIES HAD MULTIPLE MEDICAID IDENTIFICATION NUMBERS

States generally must refund the Federal share of Medicaid overpayments to CMS (§ 1903(d)(2)(A) of the Act; 42 CFR § 433.312). Overpayments are amounts paid in excess of allowable amounts and would include unallowable capitation payments made on behalf of the same beneficiary for the same coverage of services.

Of the 100 beneficiary matches that we sampled, the State agency correctly made capitation payments on behalf of 3. However, the State agency incorrectly claimed Federal Medicaid reimbursement for managed care payments totaling \$455,296 (\$323,126 Federal share) made on behalf of 97 matches under different Medicaid ID numbers for the same capitation month.

The State agency had a control in place to try to detect and prevent payments on behalf of beneficiaries who were assigned multiple Medicaid ID numbers. This control involved the 7-step matching process (explained in footnote 5). However, this control did not always prevent multiple ID numbers because it did not consider the potential for human error.

The State agency said the errors occurred because either the beneficiaries themselves or the caseworkers entered demographic data incorrectly during the application process. The incorrect entry did not result in a full match on the name or DOB when the IEES queried the MCI. Then, during the next step when the IEES queried the MMIS and performed the 7-step matching process to determine whether it had an existing Medicaid ID number for that beneficiary, it still returned no matches, resulting in the creation of multiple Medicaid IDs for the same beneficiary.

Of the 97 beneficiary matches to which the State agency erroneously assigned multiple Medicaid ID numbers, the State agency said that:

- 92 were because someone entered the name incorrectly during the application process;
- 4 were because someone entered the DOB incorrectly; and
- 1 was because the IEES created different Medicaid ID numbers, within seconds of each other, for the same beneficiary.

ESTIMATE OF UNALLOWABLE CAPITATION PAYMENTS

On the basis of our sample results, we estimated that the State agency made unallowable capitation payments totaling at least \$2,675,090 (\$1,894,643 Federal share) on behalf of beneficiaries with multiple Medicaid ID numbers during our audit period.

RECOMMENDATIONS

We recommend that the Kentucky Cabinet for Health and Family Services:

- refund to the Federal Government \$1,894,643 (Federal share) in unallowable payments,
- review capitation payments that fell outside of our audit period and refund any unallowable payments, and
- enhance or establish new controls to ensure that no beneficiary is issued multiple Medicaid ID numbers.

STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, the State agency agreed with our findings but disagreed with refunding the extrapolated amount. In addition, the State agency described the corrective actions that it plans to take to address our recommendations.

The State agency comments are included as Appendix G.

State Agency Comments

For our first recommendation, the State agency stated that it disagreed with refunding the extrapolated amount. The State agency said that it was conducting its own audit of the entire population of payments made during our audit period to identify the potential duplicate Medicaid ID numbers; the State agency said that it would refund the Federal share of any duplicate capitation payments that it identifies. The State agency mentioned that, as of September 15, 2021, it has recouped approximately \$149,000 in duplicate capitation payments.

For our second recommendation, the State agency said that it would conduct its own audit of duplicate Medicaid ID numbers after our audit period and recover the identified overpayments.

For our third recommendation, the State agency said that it has reviewed the logic used to identify duplicate Medicaid IDs and is implementing enhancements to improve the process of identifying and correcting duplicate Medicaid ID numbers. In addition, the State agency generated a monthly report to capture duplicate Medicaid ID numbers that the system did not automatically identify or that caseworkers did not manually link. The caseworkers will review this report, link the duplicate Medicaid ID numbers, recoup the capitation payments, and refund them to the Federal Government.

Office of Inspector General Response

If the State agency chooses to continue with an audit of the entire population of payments made during our audit period to determine actual overpayments, it should work with CMS during the audit resolution process to ensure the adequacy and completeness of that effort. However, we continue to recommend that the State agency refund to the Federal Government \$1,894,643 (Federal share) in unallowable payments. We used statistical sampling because conducting a 100 percent audit is often resource intensive, and the costs can far exceed the benefits. Federal courts have consistently upheld statistical sampling and extrapolation as a valid means to determine overpayment amounts in Medicare and Medicaid.⁹ During the course of this audit, we properly executed our statistical sampling methodology and used the statistical lower limit to estimate the overpayments recommended for recovery.

To be conservative, we recommend recovery at the lower limit of a two-sided 90-percent confidence interval. Lower limits calculated in this manner are designed to be less than the actual overpayment total 95 percent of the time, and we maintain that the State agency should refund the extrapolated amount of \$1,894,643 (Federal share).

Regarding the State agency comment on our third recommendation, we have not audited the enhancements that it plans to implement to improve the process of identifying and correcting multiple Medicaid ID numbers for the same person and thus cannot determine whether the enhancements will adequately address the errors found in our sample.

⁹ See *Yorktown Med. Lab., Inc. v. Perales*, 948 F.2d 84 (2d Cir. 1991); *Illinois Physicians Union v. Miller*, 675 F.2d 151 (7th Cir. 1982); *Momentum EMS, Inc. v. Sebelius*, 2013 U.S. Dist. LEXIS 183591 at *26-28 (S.D. Tex. 2013), *adopted by* 2014 U.S. Dist. LEXIS 4474 (S.D. Tex. 2014); *Anghel v. Sebelius*, 912 F. Supp. 2d 4 (E.D.N.Y. 2012); *Miniet v. Sebelius*, 2012 U.S. Dist. LEXIS 99517 (S.D. Fla. 2012); *Bend v. Sebelius*, 2010 U.S. Dist. LEXIS 127673 (C.D. Cal. 2010).

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered \$6,973,447 (\$4,938,236 Federal Share) in Medicaid capitation payments that the State agency made to MCOs from July 1, 2015, through June 30, 2019 (audit period) for 1,634 beneficiary matches.¹⁰

We did not review the overall internal control structure of the State agency's Medicaid program. Rather, we reviewed only those controls related to our objective. We limited our audit to determining whether MCOs in Kentucky received capitation payments on behalf of beneficiaries who were assigned multiple Medicaid ID numbers, thus causing unallowable capitation payments.

We conducted this audit from September 2020 to August 2021.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws and regulations and State guidance;
- reviewed the State agency's policies and procedures on how it assigns Medicaid ID numbers and prevents the assignment of multiple Medicaid ID numbers to the same beneficiary;
- requested that the State agency provide a detailed list of all capitation payments to MCOs from July 1, 2015, through June 30, 2019;
- performed data analytics on the list of all capitation payments to identify beneficiary matches;
- selected a stratified random sample of 100 beneficiary matches from the sampling frame;
- reviewed computer records for each sample item to determine whether a beneficiary was issued multiple Medicaid ID numbers; and
- estimated the total amount of unallowable Medicaid capitation payments that the State agency made during our audit period.

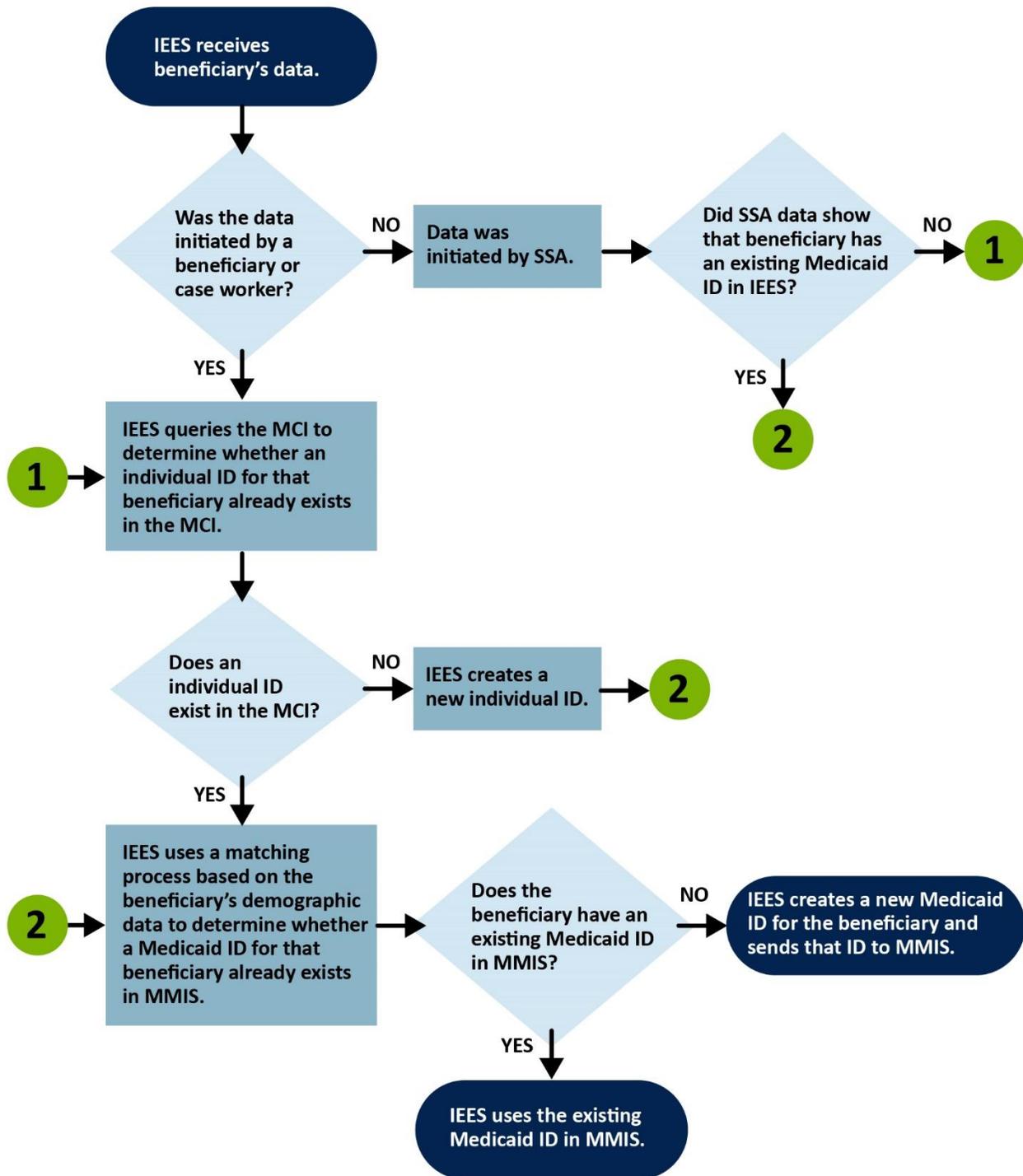
¹⁰ We performed data analytics to identify these 1,634 beneficiary matches.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
<i>New York Made Unallowable Payments Totaling More Than \$9 Million to the Same Managed Care Organization for Beneficiaries Assigned More Than One Medicaid Identification Number</i>	<u>A-02-20-01007</u>	5/11/2021
<i>Florida Made Almost \$4 Million in Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid ID Numbers</i>	<u>A-04-18-07080</u>	3/23/2020
<i>New York Made Unallowable Payments Totaling More Than \$10 Million for Managed Care Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<u>A-02-18-01020</u>	2/20/2020
<i>Tennessee Made Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<u>A-04-18-07079</u>	10/29/2019
<i>Georgia Made Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<u>A-04-16-07061</u>	12/27/2017
<i>Texas Made Unallowable Medicaid Managed Care Payments for Beneficiaries Assigned More Than One Medicaid Identification Number</i>	<u>A-06-15-00024</u>	3/01/2017
<i>New York State Made Unallowable Medicaid Managed Care Payments for Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<u>A-02-11-01006</u>	4/15/2013

APPENDIX C: KENTUCKY’S PROCESSES FOR DETECTING AND PREVENTING MULTIPLE MEDICAID IDENTIFICATION NUMBERS



APPENDIX D: STATISTICAL SAMPLING METHODOLOGY

SAMPLING FRAME

Our sampling frame was an Excel file containing 11,992 capitation rows totaling \$6,973,447 for 1,634 beneficiary matches¹¹ having payment amounts greater than \$100.

SAMPLE UNIT

The sample unit was a beneficiary match.

SAMPLE DESIGN AND SAMPLE SIZE

We used a stratified random sample. We divided the sampling frame into three strata as shown in Table 1:

Table 1: Details of Sampling Frame

Stratum	Number of Sample Units	Sample Size	Net Payment Amounts	Description of Stratum
1	1,229	34	\$2,256,212	Net capitation totals are >\$226 and <\$4,207
2	317	33	2,444,536	Net capitation totals are ≥\$4,207 and <\$15,071
3	88	33	2,272,699	Net capitation totals are ≥\$15,071
Total	1,634	100	\$6,973,447	

SOURCE OF THE RANDOM NUMBERS

We generated the random numbers with the OIG, Office of Audit Services (OAS) statistical software.

METHOD OF SELECTING SAMPLE ITEMS

We sorted the items in each stratum from lowest to highest by total net capitation payments. Then we consecutively numbered the sample units in each stratum. After generating the random numbers for each stratum, we selected the corresponding frame items for review.

¹¹ We define a beneficiary match as more than one Medicaid ID number associated with a beneficiary that has both (1) the same or similar first and last names or the inverse of the exact or similar first and last names and (2) the same date of birth.

ESTIMATION METHODOLOGY

We used the OIG/OAS statistical software to estimate the total amount of unallowable Medicaid capitation payments that the State agency made during our audit period.

APPENDIX E: SAMPLE RESULTS AND ESTIMATES

Table 2: Sample Results

Stratum	Beneficiary Matches in Sample Frame	Value	Sample Size	Value of the Sample	Number of Beneficiary Matches with Overpayments	Value of the Overpayments	Federal Share Value Per Stratum
1	1,229	\$2,256,212	34	\$58,125	33	\$28,030	\$19,803
2	317	2,444,536	33	246,695	32	112,078	79,394
3	88	2,272,699	33	759,407	32	315,188	223,929
Total	1,634	\$6,973,447	100	\$1,064,227	97	\$455,296	\$323,126

**Table 3: Estimated Value of Overpayments
(Limits Calculated for a 90-Percent Confidence Interval)**

	Total Amount	Federal Share
Point estimate	\$2,930,337	\$2,075,651
Lower limit	2,675,090	1,894,643
Upper limit	3,185,583	2,256,659

APPENDIX F: FEDERAL AND STATE REQUIREMENTS

FEDERAL REQUIREMENTS

Section 1903(d)(2)(A) of the Act requires Federal Medicaid payments to a State to be reduced to make adjustment for prior overpayments. In addition, States are responsible for refunding the Federal share of overpayments to CMS (42 CFR § 433.312(a)).

The Federal Government pays its share of a State's medical assistance expenditures under Medicaid based on the Federal Medical Assistance Percentage, which varies depending on the State's relative per capita income as calculated by a defined formula (42 CFR § 433.10(a), (b)).

The Medicaid managed care program defines providers as "any individual or entity that is engaged in the delivery of health care services and is legally authorized to do so by the State in which it delivers the services" (42 CFR § 400.203).

A capitation payment is "a payment the State makes periodically to a contractor on behalf of each beneficiary enrolled under a contract ... for the provision of services under the State plan. The State makes the payment regardless of whether the particular beneficiary receives services during the period covered by the payment" (42 CFR § 438.2).

STATE REQUIREMENTS

If a beneficiary is eligible and enrolled and the MCO believes the capitation payment was in error due to underpayment, overpayment, or duplicate payment, the MCO may submit a payment adjustment request (Kentucky Medicaid Managed Care Contract, section 10.3).

APPENDIX G: STATE AGENCY COMMENTS



CABINET FOR HEALTH AND FAMILY SERVICES Department for Medicaid Services

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September 27, 2021

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RE: Report Number: A-04-20-07094

Dear Ms. Pilcher:

Thank you for the opportunity to provide comments on the draft Department of Health and Human Services, Office of Inspector General (OIG) report titled, *Kentucky Made Almost \$2 Million in Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid ID Numbers*. The Department for Medicaid Services (“Department”) is pleased that the review conducted by OIG only found a potential of 1,634 Medicaid Members who had a duplicate Medicaid ID number with the estimated overpayment resulting in an error rate of only 0.0074% of capitation payments during the audit period. The Department strives to continuously improve all aspects of its operations in order to better serve the citizens of Kentucky. Therefore, while this error rate is low, the Department is committed to reducing these errors to zero.

Please consider the following comments in drafting the final report.

As a result of the audit, OIG recommends the Department:

1. Refund to the Federal Government \$1,894,643 (Federal share) in unallowable payments.

Department Comments: The Department agrees to refund the federal share for unallowable capitation payments paid on behalf of beneficiaries who were assigned multiple Medicaid ID numbers. However, the Department does not agree with refunding the extrapolated amount. The Department is conducting an audit of the entire universe from July 1, 2015 through June 30, 2019 to identify all potential duplicate



KENTUCKY CABINET FOR
HEALTH AND FAMILY SERVICES

Medicaid IDs. Any identified duplicate capitation payments will be recovered and the federal share refunded. This audit will ensure an accurate collection and accounting of duplicate capitation payments.

As of September 15, 2021, \$149,112.72 in duplicate capitation payments has been recouped. This process shall continue until all of the duplicate IDs have been corrected/linked and any duplicate capitation payments recovered for the HHS-OIG identified audit period. The estimated completion date is December 31, 2021. The Department will continue to report any additional recoupments on future CMS-64 reports.

2. Review capitation payments that fell outside of our audit period and refund any unallowable payments.

Department Comments: The Department is conducting an initial audit to identify all duplicate Medicaid IDs for the identified audit period of July 1, 2015 through June 30, 2019 and will recoup any identified duplicate capitation payment. Additionally, the Department will conduct an audit for the period of July 1, 2019 through the current date and on an ongoing basis. Any resultant duplicate capitation payments will be recovered. This audit will ensure an accurate collection and accounting of duplicate capitation payments. The estimated completion date is April 15, 2022.

3. Enhance or establish new controls to ensure that no beneficiary is issued multiple Medicaid ID numbers.

Department Comments: The Department reviewed the logic used to identify duplicate Medicaid IDs and is implementing enhancements to the Medicaid Management Information System (MMIS) claims payment system and the Integrated Eligibility and Enrollment (IEES) systems to improve the process of identifying and rectifying potential duplicate Medicaid IDs. These changes include the implementation of the following Change Orders (COs) and Change Requests (CRs):

1. **CO 32099** - CO to update current F3 linking process in the MMIS. CO to update MMIS logic to link not only when the incoming ID is new but also when demographics are updated later on subsequent F3 eligibility transactions.
2. **CO 32100** - First, update partial name match criteria when DOB/SSN/Gender is matching since minimum of first name first character match is currently required. A First name or last name match along with SSN/DOB/Gender will be added to the linking logic in MMIS. Secondly, match excluding DOB with full name/SSN/Gender match will be added to the linking logic in MMIS.
3. **CO 32146** - Web Service return link ID - the active Medicaid ID service that returns an ID to IEES will be updated to accommodate the updated nine step linking logic.
4. **CR 1387** - MCI Notification to IEES - The purpose of this change request is to create a new interface to send notifications from MCI to IEES during linking and delinking of Health Benefits Exchange (HBE) Individual IDs. Additionally, IEES will use the Active MAID Service to check for existing records for any individuals that are de-linked as per the MCI notification. With CR 1387, Worker Portal will be making screen changes on the Individual Summary screen to display information in the Associated Individual IDs section based on a real-time call to MCI service.
5. **COs 31205, 31984, 32120, 32296 and 32550** - Data Fixes to link ID's in MMIS

6. **CO 32101** - MMIS implemented this CO to provide IEES with all Medicaid IDs linked in MMIS daily. This report contains the following fields - Inactive Member ID, Inactive Member SSN, Inactive Member

Additionally, a monthly report (ELG:0011:D) is generated to capture any duplicate Medicaid IDs that were not identified automatically or manually linked by the case worker. This report is worked and any verified duplicates are then linked within the system and any overlap of capitation payments is then recouped and the federal share appropriately credited.

If you have any questions regarding the Department's response, please contact Lee Guice at (502)-330-9328 or (Lee.Guice@ky.gov).

Sincerely,

A handwritten signature in cursive script that reads "Lisa D. Lee".

Lisa D. Lee
Commissioner

Cc: Lee Guice
Jennifer Dudinskie
Carl Ishmael