

U.S. Department of Health and Human Services  
**Office of Inspector General**



# Rhode Island Medicaid Fraud Control Unit: 2022 Inspection

**Ann Maxwell**

Deputy Inspector General for Evaluation and Inspections

March 2023, OEI-07-22-00370





## Unit Case Outcomes

Federal fiscal years (FYs)  
2019–2021:

- 17 indictments
- 6 convictions
- 33 civil settlements and judgments
- \$9.7 million in recoveries

## Unit Snapshot

The Rhode Island Medicaid Fraud Control Unit (MFCU or Unit) is housed in the Rhode Island Office of the Attorney General (OAG).

At the time of our onsite inspection in August 2022, the Unit had a total of nine staff located in Providence.

## Rhode Island Medicaid Fraud Control Unit: 2022 Inspection

### What OIG Found

Our inspection of the Rhode Island MFCU for FYs 2019–2021 found that the Unit maintained strong working relationships and investigated cases jointly with OIG and the U.S. Attorney's Office. The Unit also took steps to maintain an adequate volume and quality of fraud and patient abuse or neglect referrals, including maintaining strong relationships with State partners.

However, we made three findings related to the Unit's management of case files and case information. First, we found that the Unit did not have an information management system with the functionality to manage and track case information from initiation to resolution, which posed challenges for monitoring cases and reporting case information and performance data. Further, we found that the Unit did not have adequate policies or procedures, or consistent practices, for effectively maintaining case files. We also found that 60 percent of applicable case files contained no documentation of periodic supervisory reviews and that the Unit's policies and procedures manual did not describe the procedures for or frequencies of supervisory reviews.

We made four additional findings related to other aspects of the Unit's operations. We found that some parts of the Unit's policies and procedures manual lacked adequate guidance and some parts did not describe the Unit's current practices. In addition, we found that the Supervisor of Investigations performed auditing duties and carried an investigative caseload in addition to his managerial responsibilities, which may have impeded the efficiency and effectiveness of the Unit's operations. We also found that the Unit did not consistently report convictions and adverse actions to Federal partners within the appropriate timeframes. Finally, we found that Unit supervisors did not track and verify that staff met training requirements.

### What OIG Recommends and How the Unit Responded

To address the findings, we recommend that the Unit (1) assess whether the Office of the Attorney General's case management system can be modified to fully meet the Unit's needs, and if appropriate, seek approval to implement its own case management system; (2) establish policies and/or procedures to ensure that case files are maintained in an effective manner; (3) develop a plan to ensure that case files include documentation of periodic supervisory reviews and update the Unit's policies and procedures manual to describe the Unit's current practices for periodic supervisory reviews; (4) update its policies and procedures manual to reflect current practices; (5) assess the duties of the Supervisor of Investigations, and if warranted, develop a plan to reduce his nonmanagerial duties; (6) take steps to ensure that convictions and adverse actions are reported to Federal partners within the appropriate timeframes; and (7) take steps to track and verify that Unit staff meet requirements in its training plan. The Unit concurred with all seven recommendations.

# TABLE OF CONTENTS

<b>BACKGROUND</b> .....	<b>1</b>
Methodology.....	4
<b>PERFORMANCE ASSESSMENT</b> .....	<b>6</b>
Case Outcomes.....	6
Observation: The Unit reported 17 indictments; 6 convictions; and 33 civil settlements and judgments for FYs 2019–2021.	
Observation: The Unit reported total recoveries of over \$9.7 million for FYs 2019–2021, which were primarily from global civil cases.	
Performance Standard 1: Compliance with Requirements.....	7
Observation: From the data we reviewed, the Rhode Island Unit did not comply with one applicable legal requirement.	
Performance Standard 2: Staffing .....	7
Observation: The Office of the Attorney General eliminated two investigative positions from the Unit during the review period.	
Finding: The Supervisor of Investigations performed auditing duties and carried an investigative caseload in addition to his managerial responsibilities, which may have impeded the efficiency and effectiveness of the Unit’s operations.	
Performance Standard 3: Policies and Procedures .....	8
Finding: The Unit maintained a policies and procedures manual, but some parts of the manual lacked adequate guidance and some parts did not describe the Unit’s current practices.	
Performance Standard 4: Maintaining Adequate Referrals.....	9
Observation: The Unit took steps to maintain an adequate volume and quality of fraud and patient abuse or neglect referrals.	
Performance Standard 5: Maintaining Continuous Case Flow.....	10
Observation: The Unit took steps to maintain a continuous case flow.	
Performance Standard 6: Case Mix.....	11
Observation: The Unit’s caseload included both fraud and patient abuse or neglect cases and covered a range of provider types.	
Performance Standard 7: Maintaining Case Information.....	11

Finding: The Unit did not have an information management system with the functionality to manage and track case information from initiation to resolution, which posed challenges for monitoring cases and reporting case information and performance data.

Finding: The Unit did not have adequate policies or procedures, or consistent practices, for effectively maintaining case files.

Finding: Sixty percent of applicable case files contained no documentation of periodic supervisory reviews, and the Unit’s policies and procedures manual did not describe the Unit’s current practices for periodic supervisory reviews.

**Performance Standard 8: Cooperation with Federal Authorities on Fraud Cases..... 15**

Observation: The Unit maintained strong working relationships and investigated cases jointly with OIG and the U.S. Attorney’s Office.

Finding: The Unit did not consistently report convictions and adverse actions to Federal partners within the appropriate timeframes.

**Performance Standard 9: Program Recommendations ..... 16**

Observation: The Unit made recommendations to the State Medicaid agency during the review period.

**Performance Standard 10: Agreement with Medicaid Agency ..... 17**

Observation: During the review period, the Unit’s MOU with the State Medicaid agency did not reflect current practice and a legal requirement, but the MOU was subsequently amended in 2022 to generally reflect current practice, policy, and legal requirements.

**Performance Standard 11: Fiscal Control ..... 17**

Observation: From our limited review, we identified no deficiencies in the Unit’s fiscal control of its resources.

**Performance Standard 12: Training..... 18**

Finding: Although the Unit maintained an annual training plan for its staff, Unit supervisors did not track and verify that staff met training requirements.

**Other Observation..... 18**

Observation: The Unit did not issue mobile phones to professional staff for business use.

**CONCLUSION AND RECOMMENDATIONS..... 19**

Assess whether the Office of the Attorney General’s case management system can be modified to fully meet the Unit’s needs, and if appropriate, seek approval to implement its own case management system.....20

Establish policies and/or procedures to ensure that case files are maintained in an effective manner.....20

Develop a plan to ensure that case files include documentation of periodic supervisory reviews and update the Unit’s policies and procedures manual to describe the Unit’s current practices for periodic supervisory reviews.....	20
Update its policies and procedures manual to reflect current practices.....	21
Assess the duties of the Supervisor of Investigations, and if warranted, develop a plan to reduce his nonmanagerial duties .....	21
Take steps to ensure that convictions and adverse actions are reported to Federal partners within the appropriate timeframes .....	21
Take steps to track and verify that Unit staff meet requirements in its training plan.....	21
<b>UNIT COMMENTS AND OIG RESPONSE.....</b>	<b>22</b>
<b>DETAILED METHODOLOGY .....</b>	<b>24</b>
<b>APPENDICES.....</b>	<b>27</b>
Appendix A: Unit Referrals by Source for Fiscal Years 2019–2021 .....	27
Appendix B: Point Estimates and 95-Percent Confidence Intervals of Case File Reviews.....	28
Appendix C: Unit Comments.....	29
<b>ACKNOWLEDGMENTS AND CONTACT .....</b>	<b>33</b>
<b>ABOUT THE OFFICE OF INSPECTOR GENERAL.....</b>	<b>34</b>

# BACKGROUND

---

## OBJECTIVE

To examine the performance and operations of the Rhode Island Medicaid Fraud Control Unit (MFCU or Unit).

---

## Medicaid Fraud Control Units

MFCUs investigate Medicaid provider fraud and patient abuse or neglect, and prosecute those cases under State law or refer them to other prosecuting offices.<sup>1, 2, 3</sup> Under the Social Security Act (SSA), a MFCU must be a “single, identifiable entity” of State government, “separate and distinct” from the State Medicaid agency, and employ one or more investigators, attorneys, and auditors.<sup>4</sup> Each State must operate a MFCU or receive a waiver.<sup>5</sup> Currently, 50 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands operate MFCUs.<sup>6</sup>

MFCUs are funded jointly by Federal and State governments. Each Unit receives a Federal grant award equivalent to 90 percent of total expenditures for new Units and 75 percent for all other Units.<sup>7</sup> In Federal fiscal year (FY) 2021, combined Federal and State expenditures for the MFCUs totaled approximately \$314 million, of which approximately \$236 million represented Federal funds.<sup>8</sup>

---

<sup>1</sup> SSA § 1903(q)(3). Regulations at 42 CFR § 1007.11(b)(1) clarify that a Unit’s responsibilities include the review of complaints of misappropriation of patients’ private funds in health care facilities.

<sup>2</sup> As of December 27, 2020, MFCUs may also receive Federal financial participation to investigate and prosecute abuse or neglect of Medicaid enrollees in a noninstitutional or other setting. Consolidated Appropriations Act, 2021, Public Law 116-260, Division CC, § 207.

<sup>3</sup> References to “State” in this report refer to the States, the District of Columbia, and the U.S. territories.

<sup>4</sup> SSA § 1903(q).

<sup>5</sup> SSA § 1902(a)(61).

<sup>6</sup> The territories of American Samoa, Guam, and the Northern Mariana Islands have not established Units.

<sup>7</sup> SSA § 1903(a)(6). For a Unit’s first 3 years of operation, the Federal Government contributes 90 percent of funding and the State contributes 10 percent. Thereafter, the Federal Government contributes 75 percent and the State contributes 25 percent.

<sup>8</sup> OIG analysis of MFCU annual statistical reporting data for FY 2021. The Federal FY 2021 was from October 1, 2021, through September 30, 2022.

## OIG Grant Administration and Oversight of MFCUs

The Office of Inspector General (OIG) administers the grant award to each Unit and provides oversight of Units.<sup>9, 10</sup> As part of its oversight, OIG conducts a desk review of each Unit during the annual recertification process. OIG also conducts periodic inspections and reviews. Finally, OIG provides ongoing training and technical support to the Units.

In its annual recertification review, OIG examines the Unit's reapplication materials, case statistics, and questionnaire responses from Unit stakeholders. Through the recertification review, OIG assesses a Unit's performance, as measured by the Unit's adherence to published performance standards;<sup>11</sup> the Unit's compliance with applicable laws, regulations, and OIG policy transmittals;<sup>12</sup> and the Unit's case outcomes.

OIG further assesses Unit performance by conducting inspections and reviews of selected Units. These inspections and reviews result in public reports of findings and recommendations for improvement. OIG reports may also include observations regarding Unit operations and practices, including beneficial practices that may be useful to share with other Units. OIG also provides training and technical assistance to Units, as appropriate, during inspections and reviews.

## Rhode Island MFCU

The Rhode Island Unit is located within the Office of the Attorney General (OAG) in Providence. At the time of our inspection in August 2022, the Unit had an approved staff size of 10, and it employed 9 staff—3 attorneys (including the Director and Managing Attorney), 5 investigators (including the Supervisor of Investigations, who also served as the Unit's auditor), and a paralegal/case coordinator. The Unit was in the process of filling one vacant nurse investigator position. During the review period of FYs 2019–2021, the Unit spent approximately \$3.7 million, with a State share of approximately \$942,000.

---

<sup>9</sup> As part of grant administration, OIG receives and examines financial information from Units, such as budgets and quarterly and final Federal Financial Reports that detail MFCU income and expenditures.

<sup>10</sup> The SSA authorizes the Secretary of Health and Human Services to award grants (SSA § 1903(a)(6)) and to certify and annually recertify the Units (SSA § 1903(q)). The Secretary delegated these authorities to OIG in 1979.

<sup>11</sup> MFCU performance standards are published at [77 Fed. Reg. 32645](#) (June 1, 2012). The performance standards were developed by OIG in conjunction with the MFCUs and were originally published at 59 Fed. Reg. 49080 (Sept. 26, 1994).

<sup>12</sup> OIG occasionally issues policy transmittals to provide guidance and instruction to MFCUs. Policy transmittals are located at <https://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/index.asp>.

## Referrals

The Unit receives referrals of Medicaid provider fraud and of patient abuse or neglect from several sources, including the State Medicaid agency's program integrity unit; the State survey and certification agency, known as the Center for Health Facilities Regulation (CHFR); and the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH).<sup>13</sup> The Supervisor of Investigations is responsible for conducting the initial intake of referrals and reviews each referral to determine whether it falls within the MFCU's jurisdiction. If additional information is needed to evaluate the referral, the case may be assigned to an investigator for preliminary investigation. The Director, Managing Attorney, and Supervisor of Investigations decide whether to open a case or decline it for investigation.

## Investigations and Prosecutions

Once the Unit decides to open a case, the Supervisor of Investigations assigns the matter to an investigator. Unit investigators typically specialize in either fraud cases or patient abuse or neglect cases. During the investigative phase of a case, Unit attorneys monitor investigations and advise on cases. Investigators participate in periodic supervisory reviews of their caseloads with the Supervisor of Investigations and Unit attorneys. Upon completion of investigative activities, the case is either closed, charged criminally, filed civilly, or referred to another agency as appropriate. If a case is prosecuted, the Unit has Statewide prosecutorial authority.

## Rhode Island Medicaid Program

The Rhode Island Executive Office of Health and Human Services (EOHHS) administers the State Medicaid program. As of July 2022, the program served 318,021 enrollees.<sup>14</sup> Approximately 88 percent of Rhode Island Medicaid enrollees received services through three managed care organizations (MCOs).<sup>15, 16</sup> In FY 2021, Rhode Island's Medicaid expenditures were approximately \$3.2 billion.<sup>17</sup>

---

<sup>13</sup> BHDDH provides services to individuals who are living with mental illness and/or substance use conditions; have developmental disabilities; or need long-term acute care in the State hospital system. See <https://bhddh.ri.gov/about-us>.

<sup>14</sup> Centers for Medicare and Medicaid Services (CMS), *July 2022 State Medicaid and CHIP Applications, Eligibility Determinations, and Enrollment Data*, accessed at <https://www.medicare.gov/medicaid/national-medicare-chip-program-information/medicaid-chip-enrollment-data/monthly-medicare-chip-application-eligibility-determination-and-enrollment-reports-data/index.html> on December 2, 2022.

<sup>15</sup> Kaiser Family Foundation (KFF), *Share of Medicaid Population Covered under Different Delivery Systems*, accessed at <https://www.kff.org/medicaid/state-indicator/share-of-medicare-population-covered-under-different-delivery-systems/> on December 2, 2022.

<sup>16</sup> KFF, *Total Medicaid MCOs*, accessed at <https://www.kff.org/medicaid/state-indicator/total-medicare-mcos/> on August 19, 2022.

<sup>17</sup> OIG, *MFCU Statistical Data for FY 2021*, accessed at [https://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/expenditures\\_statistics/fy2021-statistical-chart.pdf](https://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/expenditures_statistics/fy2021-statistical-chart.pdf) on August 19, 2022.

EOHHS's Office of Program Integrity (OPI) is responsible for Medicaid program integrity efforts. OPI receives referrals of suspected provider fraud from MCOs and from a contracted investigation team responsible for the fee-for-service component of Rhode Island's Medicaid program. MCOs send referrals of suspected provider fraud to OPI and the Unit simultaneously, but the Unit does not open a case until it receives a formal referral from OPI.<sup>18</sup> OPI reviews referrals of suspected provider fraud to determine whether they constitute a "credible allegation of fraud," and then refers those cases to the MFCU as appropriate.

## Prior OIG Report

OIG conducted a previous onsite review of the Rhode Island Unit in 2014.<sup>19</sup> In that review, which covered FYs 2012–2014, OIG found that (1) the overall number of referrals to the Unit decreased significantly; (2) the Unit did not refer all convictions to OIG for program exclusion in a timely manner; (3) the Unit did not report adverse actions to the National Practitioner Data Bank (NPDB); (4) the Unit's internal controls over grant expenditures did not include segregation of duties involving its purchase card; and (5) almost all case files contained documentation of supervisory approval to open and close cases as well as of periodic supervisory reviews.

OIG recommended that the Unit (1) work with the State Medicaid agency to increase referrals; (2) refer providers for exclusion to OIG within an appropriate timeframe; (3) report adverse actions to the NPDB; and (4) improve controls over purchase card duties and document purchase requests from Unit staff. On the basis of information received from the Unit, OIG considered the recommendations implemented as of June 2016.

## Methodology

OIG conducted the inspection of the Rhode Island MFCU in August 2022. Our inspection covered the 3-year period of FYs 2019–2021. We based our inspection on an analysis of data and information from 7 sources: (1) Unit documentation; (2) financial documentation; (3) structured interviews with key stakeholders; (4) structured interviews with the Unit's managers and other selected staff; (5) a review of a sample of 51 criminal and nonglobal civil case files that were open at some point during the review period; (6) a review of all convictions submitted to OIG for program exclusion and all adverse actions submitted to the NPDB during the review period; and (7) an onsite review of Unit operations. See the Detailed Methodology on page 24.

<sup>18</sup> The practice of MCOs sending referrals of suspected provider fraud to OPI and the Unit simultaneously began in FY 2020. Although this practice was not described in the Unit's MOU with the State Medicaid agency during the review period (see Performance Standard 10), OPI reported that it was included in its operational procedures and will be included in new MCO contracts (see Performance Standard 9).

<sup>19</sup> OIG, *Rhode Island State Medicaid Fraud Control Unit: 2014 Onsite Review*, accessed at <https://oig.hhs.gov/oei/reports/oei-02-14-00580.pdf> on August 19, 2022.

In examining the Unit's operations and performance, we applied the published performance standards, but we did not assess adherence to every performance indicator for every standard.

## Standards

We conducted this study in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency. These inspections differ from other OIG evaluations in that they support OIG's direct administration of the MFCU grant program, but they are subject to the same internal quality controls as are other OIG evaluations, including internal and external peer review.

# PERFORMANCE ASSESSMENT

In assessing the performance and operations of the Rhode Island Unit, we identified the Unit’s case outcomes, evaluated whether the Unit complied with legal requirements, and assessed whether the Unit adhered to each of the 12 MFCU performance standards. We identified seven findings and made several observations regarding the Unit’s performance and operations, and we made seven recommendations for improvement.

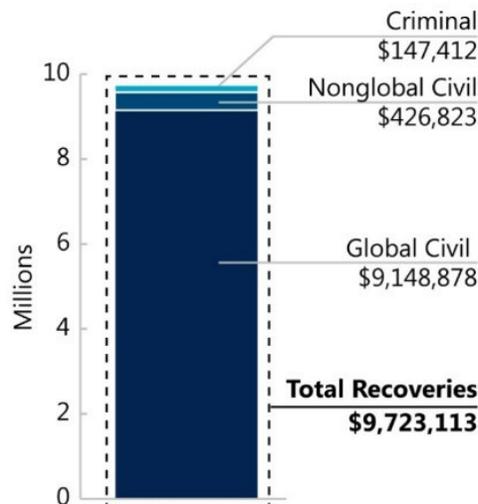
## Case Outcomes

**Observation: The Unit reported 17 indictments; 6 convictions; and 33 civil settlements and judgments for FYs 2019–2021.**

All six convictions involved Medicaid provider fraud; none of the convictions involved patient abuse or neglect. However, of the 17 indictments, 9 involved Medicaid provider fraud and 8 involved patient abuse or neglect.



**Observation: The Unit reported total recoveries of over \$9.7 million for FYs 2019–2021, which were primarily from global civil cases.**



Source: OIG analysis of Unit statistical data, FYs 2019–2021.

Note: “Global” civil recoveries derive from civil settlements or judgments in global cases, which are cases that involve the U.S. Department of Justice and a group of State MFCUs and are facilitated by the National Association of Medicaid Fraud Control Units (NAMFCU).

---

## Performance Standard 1: Compliance with Requirements

A Unit conforms with all applicable statutes, regulations, and policy directives.

**Observation: From the data we reviewed, the Rhode Island Unit did not comply with one applicable legal requirement.**

We identified one compliance concern related to the Unit's reporting of convictions and adverse actions to Federal partners (see Performance Standard 8 finding).

---

## Performance Standard 2: Staffing

A Unit maintains reasonable staff levels and office locations in relation to the State's Medicaid program expenditures and in accordance with staffing allocations approved in its budget.

**Observation: The Office of the Attorney General eliminated two investigative positions from the Unit during the review period.**

Following a change in leadership at the Rhode Island Office of the Attorney General (OAG) in FY 2019, OAG eliminated two investigative positions from the Unit. Specifically, OAG did not retain the individual serving as the Unit's chief investigator and did not fill an investigative vacancy following the retirement of another Unit investigator. Although the Unit promoted another Unit investigator to serve as chief investigator (renamed as the Supervisor of Investigations), a total of two positions were eliminated from the Unit's budget. As a result, the Unit's approved staff size decreased from 12 to 10.

Despite the elimination of investigative positions and turnover of other staff, the Unit retained several long-term investigators. At the time of the inspection, the Unit's remaining five investigators had been employed by the Unit for periods ranging from 6 years to over 16 years, with an average tenure of 11 years.<sup>20</sup> Unit stakeholders identified the experience levels of the Unit's investigators as well as its attorneys as a strength of the Unit.

**Finding: The Supervisor of Investigations performed auditing duties and carried an investigative caseload in addition to his managerial responsibilities, which may have impeded the efficiency and effectiveness of the Unit's operations.**

Performance Standard 2(c) states that the Unit should employ an appropriate mix and number of professional staff that allows the Unit to effectively investigate and prosecute an appropriate volume of case referrals and workload for both Medicaid fraud and patient abuse and neglect.<sup>21</sup> Following OAG's removal of the Unit's previous chief investigator, one of the Unit's investigators—who was also designated

---

<sup>20</sup> At the time of the inspection, the Unit had a vacant nurse investigator position, which the Unit was in the process of filling. The Unit reported that it experienced difficulties in hiring and retaining nurse investigators because of relatively low salaries and a high demand for nurses.

<sup>21</sup> Additionally, 42 CFR § 1007.13(a) requires a Unit to employ sufficient professional staff to carry out its duties and responsibilities in an effective and efficient manner.

as the Unit’s auditor—was promoted to Supervisor of Investigations. At the time of our inspection, the Supervisor of Investigations performed multiple duties within the Unit. As a manager, he directly supervised all of the Unit’s investigators; performed the initial assessment of all incoming referrals; and attended numerous meetings and maintained regular communication with Unit stakeholders. In addition to his managerial responsibilities, the Supervisor of Investigations continued to serve as the Unit’s auditor.<sup>22, 23</sup> He also carried an investigative caseload of five to six cases, including cases that were opened after he assumed his supervisory role. He explained that when other investigators’ workloads were too high, he preferred to take a new case rather than add to another investigator’s workload.<sup>24</sup>

The Supervisor of Investigations’ multiple duties within the Unit may have impacted the timeliness of his cases. We did not observe that the additional duties inhibited the Supervisor of Investigations from fulfilling his managerial responsibilities, and he reported that he prioritized completing his daily managerial duties. However, he acknowledged that he had concerns about the impact of his other duties on the timeliness of his own cases. Additionally, a law enforcement partner who worked joint cases with the Unit suggested that the Supervisor of Investigations’ overall workload may have impacted the timeliness of some joint cases.

In OIG’s judgment, the multiple duties of the Supervisor of Investigations—serving as both the chief investigator and auditor, as well as investigating his own caseload—raise a concern that the Unit may not have the appropriate mix and/or number of professional staff to efficiently and effectively investigate its cases.

---

### Performance Standard 3: Policies and Procedures

A Unit establishes written policies and procedures for its operations and ensures that staff are familiar with, and adhere to, policies and procedures.

**Finding: The Unit maintained a policies and procedures manual, but some parts of the manual lacked adequate guidance and some parts did not describe the Unit’s current practices.**

Performance Standard 3(a) states that the Unit should have written guidelines or manuals that contain current policies and procedures. The Unit maintained a policies and procedures manual, which was made available to staff in print and electronically. However, we found that the Unit did not have adequate policies and/or procedures for effectively maintaining case files (see Performance Standard 7, second finding). Additionally, the manual did not describe some of the Unit’s current practices,

---

<sup>22</sup> 42 CFR § 1007.13(b)(2) requires Units to employ one or more experienced auditors.

<sup>23</sup> The Supervisor of Investigations and another investigator both performed auditing tasks for the Unit. However, the formal designation of these staff members as the Unit’s auditor varied during the review period. The Supervisor of Investigations was designated as the Unit’s only auditor in FYs 2019 and 2021 and at the time of the inspection. In FY 2020, the other investigator was designated as the Unit’s auditor.

<sup>24</sup> At the time of the inspection, line investigators reported that their caseloads were manageable, but that their workloads could vary.

including its practices for periodic supervisory reviews (see Performance Standard 7, third finding). Finally, we found that other aspects of the Unit's policies and procedures manual were outdated. For example, position descriptions and job duties described in the manual did not always reflect current job titles or duties, and the Unit's organizational chart did not accurately reflect the Unit's supervisory structure.

---

## Performance Standard 4: Maintaining Adequate Referrals

A Unit takes steps to maintain an adequate volume and quality of referrals from the State Medicaid agency and other sources.

**Observation: The Unit took steps to maintain an adequate volume and quality of fraud and patient abuse or neglect referrals.**

Consistent with Performance Standard 4, the Unit took steps to encourage fraud and patient abuse or neglect referrals from key referral sources during the review period. At the time of our review, both the Office of Program Integrity (OPI) and the Unit reported that they maintained a strong working relationship with regular communication. The Unit participated in monthly and quarterly meetings with OPI and MCOs, which also included OIG and other stakeholders. These meetings were used to discuss active cases, and the Unit reported that these meetings were beneficial. Specifically, the Supervisor of Investigations stated that because of these meetings, the Unit is aware of the investigations being conducted by MCOs and OPI; as a result, the Unit is informed of cases before it receives formal referrals.

The Unit also maintained strong relationships with stakeholders that provide patient abuse or neglect referrals, including the State survey and certification agency, known as the Center for Health Facilities Regulation (CHFR), and the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH). The Unit engaged in regular calls with CHFR and engaged in regular informal communication with both CHFR and BHDDH.

Additionally, the Unit reported that it conducted outreach and provided training to nursing homes and other facilities. The training covered pertinent laws and reporting requirements.

During the review period, the Unit reported that it received 122 fraud referrals, of which 18 came from OPI. Of the 18 referrals from OPI, the Unit opened 17 as cases. The Unit also received 374 patient abuse or neglect referrals during the review period, primarily from CHFR and BHDDH, and opened 36 as cases. See Appendix A for all sources of referrals involving fraud and patient abuse or neglect during FYs 2019–2021.

---

## Performance Standard 5: Maintaining Continuous Case Flow

A Unit takes steps to maintain a continuous case flow and to complete cases in an appropriate timeframe based on the complexity of the cases.

**Observation: The Unit took steps to maintain a continuous case flow.**

Consistent with Performance Standard 5, the Unit reported that it took steps to maintain a continuous case flow, including frequent informal communication among Unit staff and supervisory reviews of cases. The Director reported that due to the Unit's small staff size and the proximity of their offices, managers and other staff were able to discuss cases almost daily. In interviews, many Unit staff identified this communication as a strength of the Unit, and Unit managers reported that this frequent communication benefited case flow.

In addition to the strong communication, we found that Unit supervisors took appropriate steps to provide supervision of cases. Performance Standard 5(b) states that supervisors should approve the opening and closing of all investigations and review the progress of cases and take action as necessary to ensure that each stage of an investigation and prosecution is completed in an appropriate timeframe. We found that the Unit's cases had supervisory approval to open, and nearly all (94 percent) of the applicable case files contained documentation of supervisory approval to close the case.<sup>25</sup> (See Appendix B for the point estimates and confidence intervals from our onsite review of case files.) Further, Unit managers and other staff reported that the Unit regularly conducted supervisory reviews of case files. Supervisory reviews were conducted in two separate group meetings, for fraud and for patient abuse or neglect cases. The Unit's Director, attorneys, Supervisor of Investigations, and investigators attended these meetings and discussed updates regarding each case. During the review period, supervisory reviews were initially conducted quarterly, then became monthly around June 2019, and then changed to bimonthly in June 2021. However, we found that these supervisory reviews were not consistently documented in case files (see Performance Standard 7, third finding).

---

<sup>25</sup> According to the Unit's policies, a case file is only created after a supervisor makes the determination to open an investigation; as a result, the Unit did not separately note supervisory approval to open a case in the case file.

---

## Performance Standard 6: Case Mix

A Unit's case mix, as practicable, covers all significant provider types and includes a balance of fraud and, where appropriate, patient abuse and neglect cases.

**Observation: The Unit's caseload included both fraud and patient abuse or neglect cases and covered a range of provider types.**

Of the 229 cases that were open during FYs 2019–2021, 78 percent (179 cases) involved provider fraud and 22 percent (50 cases) involved patient abuse or neglect. During this period, the Unit's cases covered 21 different provider types, including pharmaceutical manufacturers, personal care services attendants, and nurses.

---

## Performance Standard 7: Maintaining Case Information

A Unit maintains case files in an effective manner and develops a case management system that allows efficient access to case information and other performance data.

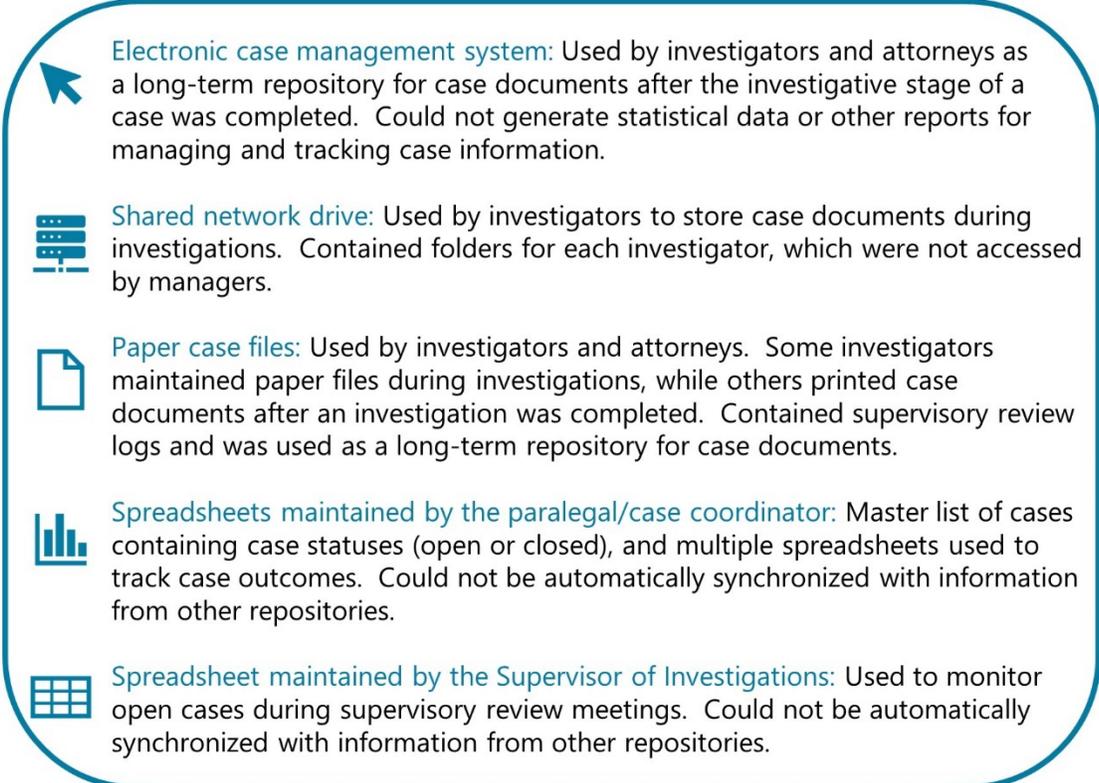
**Finding: The Unit did not have an information management system with the functionality to manage and track case information from initiation to resolution, which posed challenges for monitoring cases and reporting case information and performance data.**

We found that the Unit's electronic case management system lacked the functionality to manage and track case information. Performance Standard 7(e) states that the Unit should have an information management system that manages and tracks case information from initiation to resolution. Unit staff reported that the Unit's electronic case management system was developed for use throughout OAG and was primarily designed to manage prosecutions. Unit investigators reported that the system had limited functionalities for directly entering case information and that it was cumbersome to use during the investigative stage of a case. Unit staff also reported, and we observed, that the system primarily served as a repository for case documents after the end of the investigative stage and lacked the functionality to generate performance data or other case status information that could aid Unit supervisors in managing and tracking cases. At the time of the inspection, OAG's case management system had received a recent upgrade, but Unit staff expressed skepticism that the system could be modified to fully meet the Unit's needs. However, following the inspection, Unit management reported that the Unit was working with OAG's contractor to determine whether the system could be modified to accommodate the needs of the Unit.

As a result of the limitations of the electronic case management system, the Unit maintained documents and other case information (e.g., case types, current case statuses, and case outcomes) across several different repositories, none of which were individually capable of managing and tracking case information from the initiation of a case to its resolution. The Unit stored investigative documents and case information on a shared network drive with folders for each investigator and in paper case files. Unit managers did not access investigators' folders on the shared network drive, and in many cases, the paper files did not contain the full case information throughout an

investigation (see finding immediately below). To track case information, the Unit used multiple spreadsheets that were manually maintained by different individuals and could not be automatically synchronized with information from other repositories. The Unit's paralegal/case coordinator maintained a master list of cases which contained the status of each case (i.e., open or closed). She also maintained spreadsheets for the purpose of tracking case outcomes. Additionally, the Supervisor of Investigations maintained a separate spreadsheet of cases that he used for purposes of tracking open cases during supervisory review meetings. See Exhibit 1 for a summary of each repository.

### Exhibit 1: The Unit maintained five repositories for case information.



-  **Electronic case management system:** Used by investigators and attorneys as a long-term repository for case documents after the investigative stage of a case was completed. Could not generate statistical data or other reports for managing and tracking case information.
-  **Shared network drive:** Used by investigators to store case documents during investigations. Contained folders for each investigator, which were not accessed by managers.
-  **Paper case files:** Used by investigators and attorneys. Some investigators maintained paper files during investigations, while others printed case documents after an investigation was completed. Contained supervisory review logs and was used as a long-term repository for case documents.
-  **Spreadsheets maintained by the paralegal/case coordinator:** Master list of cases containing case statuses (open or closed), and multiple spreadsheets used to track case outcomes. Could not be automatically synchronized with information from other repositories.
-  **Spreadsheet maintained by the Supervisor of Investigations:** Used to monitor open cases during supervisory review meetings. Could not be automatically synchronized with information from other repositories.

Source: OIG analysis of interviews with Unit staff and OIG's observations during the onsite inspection.

The Unit's limited electronic case management system, coupled with its different repositories for case information, also posed challenges for monitoring cases and reporting case information and performance data. Performance Standard 7(f) states that the Unit should have an information management system that allows for the monitoring and reporting of case information. The Unit's disjointed storage of case information across multiple repositories, including spreadsheets that could not be automatically synchronized to reflect current case information, may limit the Unit's capacity for accurately monitoring case information. During our inspection, we identified multiple errors in a case list created from the paralegal/case coordinator's

master list of cases, including cases with inaccurate closing dates.<sup>26</sup> Under the Unit's system for storing case information, it was possible for a case to be "closed" in the paper case file but continue to be "open" on the master case list and in the electronic case management system, which may limit the ability of Unit managers to accurately monitor case information. Further, Federal regulations require Units to report statistical information annually to OIG, including data on cases and case outcomes.<sup>27</sup> The Unit's paralegal/case coordinator completed this reporting task using her manually maintained spreadsheets, and in some instances, this required her to manually tabulate data.<sup>28</sup> In our judgment, the inaccuracies we identified in the Unit's case list also highlight the potential for imprecise reporting to OIG. Additionally, we found that this practice for compiling case information and performance data was highly inefficient; the paralegal/case coordinator stated that it takes her up to 4 weeks to assemble and submit the annual data required by OIG.

In OIG's experience, and consistent with Performance Standard 7, a centralized case management system with the capacity to monitor cases and report case information and performance data efficiently and accurately is essential for the optimal operation of a Unit.

**Finding: The Unit did not have adequate policies or procedures, or consistent practices, for effectively maintaining case files.**

Performance Standard 7 states that a Unit should maintain case files in an effective manner. However, we found that the Unit did not have procedures for organizing case information in an effective manner, which made it difficult to locate case information. From interviews with Unit staff and our review of Unit case files, we found that the case files lacked consistent structure and organization, and some files contained duplicate documents. We also found that case files lacked standardized formatting for routine case information. The Unit's inadequate procedures for filing case information in a consistent manner made it difficult for us to locate and confirm the accuracy of significant reported dates and documents and to clearly understand the progression of the investigation in its entirety.

Further, the Unit lacked effective procedures for maintaining case files across the Unit's multiple repositories, and staff did not follow consistent case file management practices. Although the Unit's policies and procedures manual required investigative activities to be documented in the electronic case management system throughout an

---

<sup>26</sup> Prior to our onsite inspection, we requested from the Unit a list of all cases open at any point during the review period. The Unit provided a list of cases which was created from the paralegal/case coordinator's master list of cases; the electronic case management system did not have this reporting capability. During our onsite review of case files, we found that five cases in our sample were not eligible for review due to inaccuracies in the case list provided by the Unit. For example, our review of case files determined that some cases that were listed as being open during the review period were actually closed prior to the review period.

<sup>27</sup> 42 CFR § 1007.17(a)(2).

<sup>28</sup> For example, Units must report annual data on the provider types associated with each of their cases. The paralegal/case coordinator's spreadsheets did not include specific provider type information for every case; as a result, she manually tabulated these data case by case.

investigation, this requirement was not always followed in practice. Investigators reported that they typically did not upload case documents to the electronic case management system until the conclusion of the investigative stage of a case. Instead, most investigators explained that they maintained case documents on the shared network drive or in paper case files during the investigative stage of a case, in part due to the limitations of the electronic case management system (see finding above). The Unit did not have policies or procedures for maintaining case files on the shared network drive or in paper case files. Some investigators maintained paper case files throughout the investigative stage of a case, but other investigators added case documents from the shared drive to the paper file at the conclusion of the investigation. In our opinion, the Unit's lack of effective procedures for storing case files across its multiple repositories may limit its capability to maintain cohesive case files at all stages of a case. With the Unit's current practices, full case information for an ongoing investigation may not be available in one location for convenient access by supervisors or by another investigator (e.g., in the event of a case reassignment).

Although the Unit's lack of a capable centralized case management system posed challenges for effectively maintaining case files, its inadequate procedures for documenting investigations in case files exacerbated these challenges. Regardless of a Unit's case management system, establishing and following consistent policies and/or procedures for documenting investigations is important for ensuring that case information is organized and easily accessible. However, these procedures are particularly important when case information is stored across multiple repositories.

**Finding: Sixty percent of applicable case files contained no documentation of periodic supervisory reviews, and the Unit's policies and procedures manual did not describe the Unit's current practices for periodic supervisory reviews.**

Performance Standard 7(a) states that reviews by supervisors should be conducted periodically, consistent with MFCU policies and procedures, and should be noted in the case file. Although Unit managers and other staff consistently stated in interviews that the Unit conducted regular supervisory reviews of case files during the review period (see Performance Standard 5), these reviews were often not documented. Specifically, we found that 60 percent of applicable cases had no documentation of any supervisory reviews in the case file.<sup>29</sup> This finding contrasts with OIG's 2014 onsite review, which found that only 6 percent of case files contained no documentation of supervisory reviews.

The Unit attributed the lack of documentation of supervisory reviews to an inability to document the reviews during the public health emergency, but our analysis also included the period outside of the public health emergency. According to the Unit's policies and procedures manual, supervisory reviews should be documented using a log in the paper case file, but Unit managers stated that the logs could not be

---

<sup>29</sup> According to Unit managers, supervisory reviews during the review period were initially conducted quarterly, then became monthly around June 2019, and then changed to bimonthly in June 2021 (see Performance Standard 5). We excluded from this calculation cases which were not open for at least one quarter, 1 month, or 2 months, as applicable.

updated during the period in which the Unit was working remotely due to the public health emergency (March 2020 through June 2021). However, we found that 45 of the 48 applicable cases in our sample were eligible for one or more supervisory reviews before and/or after the 16-month period of remote work,<sup>30</sup> and 60 percent of the 48 sampled cases contained no documentation of any supervisory review for the duration of the case. Therefore, an inability to update the logs during the 16-month period of remote work did not explain the lack of documentation of any supervisory reviews for these case files before and after the public health emergency.

Additionally, the Unit's policies and procedures manual did not describe the Unit's current supervisory review practices, nor did it require a specific frequency for the reviews. While the manual stated that case progress should be reviewed "periodically" and documented by a supervisor, it did not describe the two separate supervisory review meetings that occurred bimonthly for fraud cases and for patient abuse or neglect cases (see Performance Standard 5) or which of the Unit's supervisors was responsible for documenting the reviews.

---

## Performance Standard 8: Cooperation with Federal Authorities on Fraud Cases

A Unit cooperates with OIG and other Federal agencies in the investigation and prosecution of Medicaid and other health care fraud.

**Observation: The Unit maintained strong working relationships and investigated cases jointly with OIG and the U.S. Attorney's Office.**

During the review period, the Unit maintained an excellent working relationship with OIG and jointly investigated a total of 23 cases. Unit management communicated regularly with OIG's Office of Investigations (OI), and Unit investigators maintained strong working relationships with OI agents. One Unit investigator commented that OI agents are almost "part of the office on a day-to-day basis." Additionally, the Unit maintained a positive working relationship with the U.S. Attorney's Office in Rhode Island.

**Finding: The Unit did not consistently report convictions and adverse actions to Federal partners within the appropriate timeframes.**

Federal regulations require Units, for the purpose of excluding convicted parties from Federal health care programs, to transmit information on all convictions to OIG within 30 days of sentencing, or "as soon as practicable" if the Unit encountered delays in receiving the necessary information from the court.<sup>31</sup> During the review period, the

---

<sup>30</sup> Three of the 48 applicable cases in our sample were exclusively eligible for supervisory review during the period in which the Unit was working remotely (i.e., opened after February 2020 and closed prior to July 2021). All of the 45 cases that were open before March 2020 and/or after June 2021 were open for a long enough period before and/or after the public health emergency that we would expect to see documentation of a supervisory review.

<sup>31</sup> 42 CFR § 1007.11(g), effective May 21, 2019. Also, Performance Standard 8(f) states that Units should transmit convictions to OIG within 30 days of sentencing.

Unit did not submit four of its nine convictions to OIG within the 30-day timeframe. Regarding the Unit's other five convictions, staff reported that the Unit experienced delays in receiving the necessary information from the court, and that these cases were submitted "as soon as practicable," as required.

Federal regulations also require Units to report any adverse actions resulting from investigations or prosecutions of health care providers to the NPDB within 30 days of the final adverse action.<sup>32, 33</sup> During the review period, the Unit reported all of its nine adverse actions to the NPDB more than 30 days after the final adverse action.

In addition to delays in receiving necessary information from the court, the Unit reported that the reason for which submissions to OIG and the NPDB were delayed involved an internal misunderstanding among staff regarding the Unit's process and requirements for submissions. At the time of the inspection, the misunderstanding had been addressed.

---

## Performance Standard 9: Program Recommendations

A Unit makes statutory or programmatic recommendations, when warranted, to the State government.

**Observation: The Unit made recommendations to the State Medicaid agency during the review period.**

The Unit made recommendations to the State Medicaid agency pertaining to MCO referrals and MCO contracts. The Unit requested that MCOs report suspected fraud simultaneously to both OPI and the Unit, and that this requirement be added to MCO contracts. OPI agreed to this arrangement for referrals and reported that this language is in its operational procedures and will be included in future MCO contracts.

---

<sup>32</sup> 45 CFR § 60.5. Examples of adverse actions include, but are not limited to, health care-related criminal convictions and civil judgments (but not civil settlements), and program exclusions. See SSA §§ 1128E(a) and (g)(1).

<sup>33</sup> The NPDB is intended to restrict the ability of physicians, dentists, and other health care practitioners to move from State to State without disclosure or discovery of previous medical malpractice and adverse actions.

---

## Performance Standard 10: Agreement with Medicaid Agency

A Unit periodically reviews its Memorandum of Understanding (MOU) with the State Medicaid agency to ensure that it reflects current practice, policy, and legal requirements.

**Observation: During the review period, the Unit’s MOU with the State Medicaid agency did not reflect current practice and a legal requirement, but the MOU was subsequently amended in 2022 to generally reflect current practice, policy, and legal requirements.**

During the review period, the Unit had a MOU with EOHHS, which was executed in August 2016. The MOU did not reflect current data mining practices and a recent legal requirement. During the review period, the Unit and EOHHS established a data mining arrangement wherein the Unit has free access to data mining and associated training through EOHHS’s vendor, but this practice was not described in the MOU.<sup>34</sup> Additionally, Federal regulations were amended in 2019 to require the Unit and the Medicaid agency to establish procedures in the MOU for the referral of potential fraud from MCOs.<sup>35</sup> Although the Unit and OPI had established procedures for MCO referrals, those were not included in the MOU during the review period. The Unit and EOHHS executed an amended MOU in November 2022 which remedied both of these deficiencies and generally reflected current practice, policy, and legal requirements.

---

## Performance Standard 11: Fiscal Control

A Unit exercises proper fiscal control over its resources.

**Observation: From our limited review, we identified no deficiencies in the Unit’s fiscal control of its resources.**

From the Unit’s responses to a detailed fiscal controls questionnaire and follow-up with fiscal staff, we identified no issues related to the Unit’s budget process, accounting system, cash management, procurement, electronic data security, property, or personnel. In our inventory review, we accounted for 30 of the 30 sampled inventory items.<sup>36</sup>

---

<sup>34</sup> Although this arrangement was not described in the MOU, the Unit provided to OIG a signed data mining agreement between the Unit, EOHHS, and the vendor as part of its application for renewal of its data mining waiver in FY 2020. See 42 CFR § 1007.20(a)(4)(iv).

<sup>35</sup> 42 CFR § 1007.9(d)(3)(iv).

<sup>36</sup> The Unit provided documentation showing that 6 of the 30 sampled items had recently been disposed of prior to our onsite inspection.

---

## Performance Standard 12: Training

A Unit conducts training that aids in the mission of the Unit.

**Finding: Although the Unit maintained an annual training plan for its staff, Unit supervisors did not track and verify that staff met training requirements.**

Performance Standards 12(a) and 12(b) state that the Unit should maintain a training plan for each professional discipline, and that the Unit should ensure that professional staff comply with the training plans and maintain records of this compliance. We found that the Unit maintained a training plan requiring a minimum of 20 hours of training per fiscal year for professional staff, and professional staff attended trainings that aided in the mission of the Unit. However, while the Unit maintained a list of trainings completed by each professional staff member for each fiscal year, Unit supervisors did not track or verify the number of training hours completed by staff. In reviewing the Unit's training records, we found instances in which staff members appeared to complete fewer than 20 hours of training in a fiscal year. At the time of our onsite review, the Director stated that the Unit would institute a policy of tracking training hours.

---

## Other Observation

**Observation: The Unit did not issue mobile phones to professional staff for business use.**

We found that professional staff in the Unit were not provided with business cell phones for use while outside of the office, as is standard among other MFCUs and law enforcement offices. The Managing Attorney explained that the Unit's parent agency, the Rhode Island OAG, does not issue mobile phones to most staff. In OIG's judgment, access to secure mobile phones is important for investigator safety and would improve the Unit's ability to efficiently investigate and prosecute cases.

# CONCLUSION AND RECOMMENDATIONS

The Rhode Island Unit reported 17 indictments; 6 convictions; 33 civil settlements and judgments; and over \$9.7 million in recoveries for FYs 2019–2021. From the information we reviewed, we observed that the Unit maintained strong working relationships and investigated cases jointly with OIG and the U.S. Attorney’s Office. The Unit also took steps to maintain an adequate volume and quality of fraud and patient abuse or neglect referrals, including maintaining strong relationships with State partners. However, we identified seven areas in which the Unit should improve its adherence to performance standards or program requirements.

We made three findings related to the Unit’s management of case files and case information. First, we found that the Unit did not have an information management system with the functionality to manage and track case information from initiation to resolution, which posed challenges for monitoring cases and reporting case information and performance data. Further, we found that the Unit did not have adequate policies or procedures, or consistent practices, for effectively maintaining case files. We also found that 60 percent of applicable case files contained no documentation of periodic supervisory reviews, a large increase in case files with no such documentation from OIG’s 2014 onsite review, and that the Unit’s policies and procedures manual did not describe the procedures for or frequencies of supervisory reviews.

We made four additional findings related to other aspects of the Unit’s operations. We found that some parts of the Unit’s policies and procedures manual lacked adequate guidance and some parts did not describe the Unit’s current practices. In addition, we found that the Supervisor of Investigations performed auditing duties and carried an investigative caseload in addition to his managerial duties, which may have impeded the efficiency and effectiveness of the Unit’s operations. We also found that the Unit did not consistently report convictions and adverse actions to Federal partners within the appropriate timeframes, as required by regulations. Finally, although the Unit maintained an annual training plan for its staff, we found that Unit supervisors did not track and verify that staff met training requirements.

To address the findings identified in this report, we made the following recommendations to the Rhode Island Unit.

## **We recommend that the Rhode Island Unit:**

### **Assess whether the Office of the Attorney General's case management system can be modified to fully meet the Unit's needs, and if appropriate, seek approval to implement its own case management system**

The Unit should evaluate whether the OAG's case management system, relied on by the MFCU, can be modified to meet the Unit's needs for a comprehensive system that allows for efficient access to case information and performance data. If the system cannot be modified to fully meet the Unit's needs, the Unit should seek approval from OAG officials to implement a new case management system, an expense that would be eligible for 75-percent Federal financial participation. While awaiting implementation of a modified or new case management system, the Unit should take steps to mitigate the shortcomings of the current case management system and to improve processes for monitoring cases and reporting case information and performance data. These steps could include instituting a policy of regular internal audits of case files and case data to ensure that information is up to date and consistent across the Unit's multiple repositories of case documents and information.

### **Establish policies and/or procedures to ensure that case files are maintained in an effective manner**

The Unit should establish policies and/or procedures for effectively organizing case files and for maintaining case files across the Unit's multiple repositories. These could include developing a consistent format and organization for routine case information and specific timeframes for updating each repository throughout an investigation. The Unit should also take steps to ensure that staff consistently follow the policies and/or procedures for maintaining case files.

### **Develop a plan to ensure that case files include documentation of periodic supervisory reviews and update the Unit's policies and procedures manual to describe the Unit's current practices for periodic supervisory reviews**

The Unit should develop a plan to ensure that supervisory reviews of Unit case files are documented in the Unit's case files. The Unit should also include in its policies and procedures manual its current practices for conducting supervisory reviews, including the specific frequency for the reviews and which of the Unit's managers is responsible for documenting the reviews.

## **Update its policies and procedures manual to reflect current practices**

In addition to the updates to the Unit's policies and procedures manual recommended above, the Unit should update outdated information contained in the manual, including its job descriptions, job duties, and organizational structure.

## **Assess the duties of the Supervisor of Investigations, and if warranted, develop a plan to reduce his nonmanagerial duties**

The Unit should assess whether the Supervisor of Investigations' existing auditing and investigative responsibilities negatively impact the Unit's operations. The assessment should consider the Supervisor of Investigations' availability to provide timely auditing support and to investigate his own cases in a timely manner. The Unit should also consider whether it has the appropriate mix and/or number of professional staff to efficiently and effectively investigate its cases. The Unit should share its assessment with OIG, and if warranted, the Unit should propose a plan to reduce or eliminate the Supervisor of Investigations' nonmanagerial duties.

## **Take steps to ensure that convictions and adverse actions are reported to Federal partners within the appropriate timeframes**

The Unit should take steps to ensure that it consistently reports all convictions to OIG within 30 days of sentencing, or as soon as practicable if the Unit encounters court delays, and that it reports adverse actions to the NPDB within 30 days of the adverse action. These steps could include developing a plan to ensure that, in the future, appropriate staff are aware of reporting requirements and the Unit's internal processes for submissions.

## **Take steps to track and verify that Unit staff meet requirements in its training plan**

The Unit should implement procedures to track the number of training hours completed by professional staff each fiscal year. Unit supervisors should verify that professional staff document and complete the minimum number of annual training hours in its training plan.

# UNIT COMMENTS AND OIG RESPONSE

The Rhode Island MFCU concurred with all seven of our recommendations.

First, the Unit concurred with our recommendation to assess whether OAG's case management system can be modified to fully meet the Unit's needs, and if appropriate, seek approval to implement its own case management system. The Unit reported that, since the time of the onsite inspection, it has initiated discussions and an internal evaluation with an OAG official to determine whether OAG's case management system could be modified to meet the Unit's needs. The Unit indicated that depending on the functionality and cost associated with modifying the current system, OAG may also evaluate the possibility of acquiring a separate case management system for the Unit. The Unit noted that OAG's ability to implement significant modifications to the existing case management system or to acquire a new system will depend upon the availability of State and Federal funding. As noted in the recommendation above, this expense would be eligible for 75-percent Federal financial participation.

Second, the Unit concurred with our recommendation to establish policies and/or procedures to ensure that case files are maintained in an effective manner. The Unit reported that it is currently drafting a written policy for effectively organizing case files across the Unit's multiple repositories, including specifying a consistent format for routine case information and timeframes for updating each repository during an investigation.

Third, the Unit concurred with our recommendation to develop a plan to ensure that case files include documentation of periodic supervisory reviews and update the Unit's policies and procedures manual to describe the Unit's current practices for periodic supervisory reviews. The Unit reported that it recently created a written policy reflecting its current practice of conducting supervisory reviews of case files every two months. The Unit indicated that the Director or the Supervisor of Investigations will consistently document in the case file that the investigation was discussed and outline the next steps in the investigation.

Fourth, the Unit concurred with our recommendation to update its policies and procedures manual to reflect current practices. The Unit reported that, since the time of the onsite inspection, it has updated its policies and procedures manual to reflect its current job descriptions, job duties, and organizational structure.

Fifth, the Unit concurred with our recommendation to assess the duties of the Supervisor of Investigations, and if warranted, develop a plan to reduce his nonmanagerial duties. The Unit reported that, since the time of the onsite inspection, it has reassigned the Supervisor of Investigation's auditing duties to another staff member and has taken steps to more efficiently manage the referral intake process to reduce the burden on the Supervisor of Investigations. The Unit indicated that it will

also evaluate its operations to determine whether to seek approval for additional staff.

Sixth, the Unit concurred with our recommendation to take steps to ensure that convictions and adverse actions are reported to Federal partners within the appropriate timeframes. The Unit reported that, since the time of the onsite inspection, it has taken steps to improve its reporting to OIG and the NPDB. The Unit also reported that it has memorialized these steps in a written policy which makes clear that all convictions and adverse actions must be reported to Federal partners within 30 days, or as soon as practicable.

Seventh, the Unit concurred with our recommendation to take steps to track and verify that Unit staff meet requirements in its training plan. The Unit reported that it drafted a written procedure to track and verify that Unit staff meet those requirements.

We appreciate the steps the Unit has taken and plans to take to address the recommendations in the report. We believe that these steps will improve the Unit's adherence to performance standards and program requirements and will strengthen its operations.

For the full text of the Unit's comments, see Appendix C.

# DETAILED METHODOLOGY

## Data Collection and Analysis

We collected and analyzed data from the seven sources described below to identify any opportunities for improvement and instances in which the Unit did not adhere to the MFCU performance standards or was not operating in accordance with laws, regulations, or policy transmittals. We also used the data sources to make observations about the Unit's case outcomes as well as the Unit's operations and practices concerning the performance standards.

### Review of Unit Documentation

Before the onsite inspection, we examined the Unit's recertification materials for FYs 2019–2021, including (1) the Director's recertification questionnaires; (2) the Unit's MOU with EOHHS that was in place during the review period and the MOU that was executed in November 2022; (3) the program integrity director's questionnaires; and (4) the OIG Special Agent in Charge questionnaires. We also reviewed the Unit's policies and procedures manual and the Unit's self-reported case outcomes and referrals included in its annual statistical reports for FYs 2019–2021. Additionally, we examined the recommendations from the 2014 OIG onsite review and the Unit's implementation of those recommendations.

### Review of Unit Financial Documentation

We conducted a limited review of the Unit's control over its fiscal resources. Before the onsite inspection, we analyzed the Unit's responses to a questionnaire about internal controls and conducted a desk review of the Unit's quarterly financial reports. We followed up with staff from OAG and the Unit to clarify issues identified in the questionnaire about internal controls. We also selected a purposive sample of 30 items from the Unit's inventory list of 67 items maintained in the Unit's office and verified those items onsite.

### Interviews with Key Stakeholders

In June and July 2022, we interviewed key stakeholders, including officials in OPI, an MCO, BHDDH, CHFR, and the U.S. Attorney's Office. We also interviewed a manager and a special agent from OIG's Office of Investigations who work with the Unit. We focused these interviews on the Unit's relationship and interaction with the stakeholders, as well as opportunities for improvement. We used the information collected from these interviews to develop subsequent interview questions for Unit management and other staff.

## Onsite Interviews with Unit Management and Other Selected Staff

We conducted structured interviews with the Unit's management and other selected staff in August 2022. Of the Unit management, we interviewed the Director, the Managing Attorney, and the Supervisor of Investigations. Of the other staff, we interviewed one attorney, four investigators, and the paralegal/case coordinator. In addition, we interviewed the supervisor of the Unit—the Deputy Chief of the Criminal Division of OAG. We asked these individuals questions related to (1) Unit operations; (2) Unit practices that contributed to the effectiveness and efficiency of Unit operations and/or performance; (3) opportunities for the Unit to improve its operations and/or performance; (4) clarification regarding information obtained from other data sources; and (5) the Unit's training and technical assistance needs.

## Onsite Review of Case Files

To craft a sampling frame, we requested that the Unit provide us with a list of cases that were open at any time during FYs 2019–2021 and include the status of each case; whether the case was criminal, civil, or global; and the dates on which the case was opened and closed, if applicable. The total number of cases was 232.

We excluded all global cases from our review of the Unit's case files because global cases are civil false claims actions that typically involve multiple agencies, such as the U.S. Department of Justice and a group of State MFCUs. We excluded 130 global cases, leaving 102 case files.

We then selected a simple random sample of 56 cases from the population of 102 cases. This sample was selected to allow us to make estimates of the overall percentage of case files with various characteristics with absolute precision of no more than +/- 10 percent at the 95-percent confidence level. However, during our onsite review of case files, we found that five cases in our sample were ineligible for inclusion in our review due to inaccuracies in the case list supplied by the Unit. These five cases consisted of global civil cases that were mislabeled as nonglobal or cases that were found to be outside of the review period. As a result, our effective sample size was reduced to 51 cases.

We reviewed the 51 case files for adherence to the relevant performance standards and compliance with statutes, regulations, and policy transmittals. During the review of the sampled case files, we consulted Unit staff to address any apparent issues with individual case files, such as missing documentation.

## Review of Unit Submissions to OIG and the National Practitioner Data Bank

We also reviewed all convictions submitted to OIG during the review period (nine) and all adverse actions submitted to the NPDB during the review period (nine). We reviewed whether the Unit submitted information on all sentenced individuals and

entities to OIG for program exclusion and all adverse actions to the NPDB for FYs 2019–2021. We also assessed the timeliness of the submissions to OIG and the NPDB.

## Onsite Review of Unit Operations

During the onsite inspection, we observed the workspace and operations of the Unit's office in Providence. We observed the Unit's office and meeting spaces; security of data and case files; location of select equipment; and the general functioning of the Unit.

# APPENDICES

## Appendix A: Unit Referrals by Source for Fiscal Years 2019–2021

Referral Source	FY 2019		FY 2020		FY 2021		3-Year Total		
	Fraud	Abuse or Neglect	Fraud	Abuse or Neglect	Fraud	Abuse or Neglect	Fraud	Abuse or Neglect	Total
Anonymous	2	0	3	3	1	3	6	6	12
Center for Health Facilities Regulation (CHFR)	3	73	1	149	5	88	9	310	319
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH)	2	31	3	7	3	10	8	48	56
HHS-OIG	2	0	2	0	0	0	4	0	4
Law enforcement—other	0	2	1	0	0	1	1	3	4
Long-Term Care Ombudsman	0	0	0	0	1	0	1	0	1
Managed care organizations (MCOs) <sup>1</sup>	0	1	1	0	0	0	1	1	2
Medicaid agency, Office of Program Integrity (OPI) <sup>1</sup>	6	0	1	0	11	0	18	0	18
Private citizen	1	2	0	1	1	1	2	4	6
Provider	0	1	0	0	0	0	0	1	1
Provider association	0	1	0	0	0	0	0	1	1
Other <sup>2</sup>	19	0	31	0	22	0	72	0	72
<b>Subtotal</b>	<b>35</b>	<b>111</b>	<b>43</b>	<b>160</b>	<b>44</b>	<b>103</b>	<b>122</b>	<b>374</b>	<b>496</b>
<b>Total</b>	<b>146</b>		<b>203</b>		<b>147</b>		<b>496</b>		

Source: OIG analysis of Unit Annual Statistical Reports, FYs 2019–2021.

<sup>1</sup> Most of the Unit’s managed care referrals were received via OPI, rather than directly from MCOs. Referrals from OPI include managed care referrals that originated from MCOs.

<sup>2</sup> The Unit indicated that “Other” referrals were primarily received from the National Association of Medicaid Fraud Control Units (NAMFCU). These were global civil cases received from the NAMFCU global case committee.

## Appendix B: Point Estimates and 95-Percent Confidence Intervals of Case File Reviews

Estimate Description	Sample Size	Point Estimate	95-Percent Confidence Interval	
			Lower	Upper
Percentage of all cases closed at the time of OIG's review	51	72.55%	61.76%	81.37%
Percentage of all closed cases that had supervisory approval to close	32	93.75%	81.37%	98.04%
Percentage of eligible cases that contained any documentation of supervisory reviews	48	39.58%	28.43%	50.98%
Percentage of eligible cases that contained no documentation of supervisory reviews	48	60.42%	49.02%	71.57%

Source: OIG analysis of Rhode Island MFCU case files, 2022.

Note: The 95-percent confidence intervals for these estimates exceed 10-percent absolute precision.



**STATE OF RHODE ISLAND**  
**OFFICE OF THE ATTORNEY GENERAL**

150 South Main Street • Providence, RI 02903  
(401) 274-4400 • [www.riag.ri.gov](http://www.riag.ri.gov)

*Peter F. Neronha*  
*Attorney General*

March 13, 2023

Ms. Ann Maxwell  
Deputy Inspector General for Evaluation and Inspections  
Office of Inspector General  
Department of Health and Human Services  
Room 5660 Cohen Building  
330 Independence Avenue, SW  
Washington, DC 20201  
Via Email to: [Susan.Burback@OIG.hhs.gov](mailto:Susan.Burback@OIG.hhs.gov)

Re: Rhode Island Medicaid Fraud Control Unit: 2022 Inspection, OEI-07-22-00370

Dear Deputy Inspector Maxwell:

Thank you for sharing HHS-OIG's draft report, *Rhode Island Medicaid Fraud Control Unit: 2022 Inspection*, OEI-07-22-00370, dated February 10, 2023. The Attorney General has asked me to respond on his behalf to the information you provided.

We appreciate the time that the Office of Inspector General (OIG) put into the review of our Medicaid Fraud Control Unit's (the Unit) operations and we share OIG's goal of ensuring that the Unit's activities are in compliance with the requirements of the program and any relevant policies and procedures. We thank the review team for recognizing that the MFCU maintains strong relationships with its State partners, has maintained an adequate volume and quality of case referrals, and has strong fiscal controls.

We recognize that the review team identified certain areas of improvement for the Unit. As this letter will demonstrate, we share the review team's goals of improving the operations of the MFCU, and we are committed to meeting the highest standards of performance expected of the program. As requested, this letter contains the Unit's response to the recommendations contained in the report.

RECOMMENDATION ONE: Assess whether the Office of the Attorney General's case management system can be modified to fully meet the Unit's needs, and if appropriate, seek approval to implement its own case management system.

**RESPONSE: The Unit concurs with this recommendation.**

The Unit has already initiated discussions and an internal evaluation with the Deputy Director of Information Technology for the Attorney General's Office to determine whether the Office's CMS vendor could modify the Office's existing CMS system to meet the Unit's needs. Depending on the functionality and cost associated with modification of our current CMS system, the Office may also evaluate acquiring a separate CMS for the Unit. The Unit Director has also sought input from MFCUs in other states regarding the effectiveness of their case management systems. The Office's ability to implement significant modifications to our existing CMS system, or acquisition of a new system, will of course depend on availability of federal and state funding.

RECOMMENDATION TWO: Establish policies and/or procedures to ensure that case files are maintained in an effective manner.

**RESPONSE: The Unit concurs with this recommendation but does not concur with the finding that sixty percent of case files did not contain documentation of periodic supervisory reviews.**

The Unit is currently drafting a written policy for effectively organizing case files in a consistent format and for maintaining case files across the Unit's multiple repositories. The new policy will have a consistent format for organization of routine case information as well as time frames for updating each repository during an investigation.

The Unit met remotely, on a monthly basis, on all open investigations during the time period from March 2020 through June 2021, due to the public health emergency pandemic. When the Unit returned to in person work, in June 2021, the Unit changed the meetings to every two months. The Supervisors could not document the Supervisors review in the files because the Unit was working remotely. Footnote 30, in HHS-OIG's draft report, appears to address this issue and states that 3 of the 48 applicable cases were exclusively open during the period in which the Unit was working remotely. However, all open investigations were reviewed while the Unit worked remotely, not just cases opened after February 2020 and closed prior to August 2021, as noted in footnote 30.

RECOMMENDATION THREE: Develop a plan to ensure that case files include documentation of periodic supervisory reviews and update the Unit's policies and procedures manual to describe the Unit's current practices for periodic supervisory reviews.

**RESPONSE: The Unit concurs with this recommendation.**

The Unit has a practice of meeting every two months, during which the Supervisors and Investigators review and discuss the status and next steps of the Unit's abuse

investigations and fraud investigations. The Unit has recently created a written policy, included in the Unit's policies and procedures manual, reflecting the Unit's practice. During these review meetings, the Director or Supervising Investigator will consistently document in the case file that the investigation was discussed and outline the next steps in the investigation.

**RECOMMENDATION FOUR:** Update its policies and procedures manual to reflect current practices.

**RESPONSE: The Unit concurs with this recommendation.**

The Unit has updated its policies and procedures manual to reflect current job descriptions, job duties, and organizational structure. All staff will be provided the manual and will document that they have reviewed and are familiar with it. An updated manual should be completed by March 31, 2023.

**RECOMMENDATION FIVE:** Assess the duties of the Supervisor of Investigations, and if warranted, develop a plan to reduce his nonmanagerial duties.

**RESPONSE: The Unit concurs with this recommendation.**

The Unit has assessed whether it has the appropriate mix/number of professional staff to efficiently and effectively investigate its cases. The Unit has reassigned the Supervising Investigator's auditing duties to Senior Fraud Investigator, Fatima Ash, as well as taken steps to more efficiently manage the intake process which will increase the Supervisor of Investigation's availability for other managerial duties. While it may be too late in this budget cycle to seek additional FTEs for FY 23, the Office will evaluate its operations this year to determine whether to ask for additional FTEs for FY 24, to include an additional investigator, auditor and/or attorney. These staffing additions will, of course, depend on General Assembly approval.

**RECOMMENDATION SIX:** Take steps to ensure that convictions and adverse actions are reported to Federal partners within the appropriate timeframes.

**RESPONSE: The Unit concurs with this recommendation.**

The Unit has already taken steps to correct the timely reporting of adverse actions to the OIG and NPDB. Additionally, the Unit has memorialized this practice in a written policy which makes clear that all adverse actions must be reported to federal partners within 30 days, or as soon as practicable.

**RECOMMENDATION SEVEN:** Take steps to track and verify that Unit staff meet requirements in its training plan.

**RESPONSE: The Unit concurs with this recommendation.**

The Unit has drafted a written procedure to track and verify that Unit staff meet the requirements in the Unit's training plan.

As the newly appointed Director of the MFCU, I am committed to ensuring compliance with all regulations and recommendations as they pertain to the MFCU. The Rhode Island Attorney General's Office looks forward to continued collaboration with HHS-OIG. Please do not hesitate to contact me should you have any follow up questions. Thank you for your time and consideration.

Sincerely,



Genevieve M. Allaire Johnson

Director

Medicaid Fraud Control and Patient Abuse

Rhode Island Office of Attorney General

150 South Main Street

Providence, RI 02903

Cc Peter F. Neronha, Attorney General

Adi Goldstein, Deputy Attorney General

Stephen Dambruch, Criminal Division Chief

# ACKNOWLEDGMENTS AND CONTACT

## Acknowledgments

Susan Burbach of the Medicaid Fraud Policy and Oversight Division served as the team leader for this study and Sarah Smith served as the lead analyst. Others in the Office of Evaluation and Inspections who conducted the study include Jordan Swoyer. Office of Evaluation and Inspections headquarters staff who provided support include Robert Gibbons and Sarah Swisher.

We would also like to acknowledge the contributions of two special agents from the Office of Investigations, and a peer reviewer from another State MFCU.

This report was prepared under the direction of Brian Whitley, Regional Inspector General for Evaluations and Inspections in the Kansas City regional office, and Dana Squires and Abbi Warmker, Deputy Regional Inspectors General, as well as in consultation with Richard Stern, Director of the Medicaid Fraud Policy and Oversight Division.

## Contact

To obtain additional information concerning this report, contact the Office of Public Affairs at [Public.Affairs@oig.hhs.gov](mailto:Public.Affairs@oig.hhs.gov). OIG reports and other information can be found on the OIG website at [oig.hhs.gov](http://oig.hhs.gov).

Office of Inspector General  
U.S. Department of Health and Human Services  
330 Independence Avenue, SW  
Washington, DC 20201

# ABOUT THE OFFICE OF INSPECTOR GENERAL

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

**The Office of Audit Services (OAS)** provides auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These audits help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

**The Office of Evaluation and Inspections (OEI)** conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. These evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness of departmental programs. To promote impact, OEI reports also present practical recommendations for improving program operations.

**The Office of Investigations (OI)** conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. With investigators working in all 50 States and the District of Columbia, OI utilizes its resources by actively coordinating with the Department of Justice and other Federal, State, and local law enforcement authorities. The investigative efforts of OI often lead to criminal convictions, administrative sanctions, and/or civil monetary penalties.

**The Office of Counsel to the Inspector General (OCIG)** provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.