



# South Dakota Medicaid Program SURS

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Danette Jacob, Payment Control Officer

# SURS – Surveillance & Utilization Review System's

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# SURS

The program that protects the integrity of South Dakota Medicaid from fraud, waste and abuse is known as the Surveillance and Utilization Review (SURS). It identifies aberrant billing practices, sanctions those who have abused Medicaid, recovers overpayments, and assists in criminal investigations where appropriate.

Provider fraud is the criminal act of intentionally filing a false claim. Typically, the claim is for services that were not actually rendered. When there is reliable evidence of fraud, the provider is referred to the state's Medicaid Fraud Control Unit (MFCU) of the Attorney General's Office for criminal investigation. Providers are selected for review based on credible information that points to an irregularity. SURS may also receive referrals from other governmental entities and from the public.

# SURS

- Group of investigative staff within SD Medicaid that safeguards against unnecessary or inappropriate use of services
- Prevent excess payments in the South Dakota Medicaid program
- Analyze claims data to identify potential fraud, waste, over-utilization, and abuse
- Collect provider overpayments and refer appropriate cases to the Medicaid Fraud Control Unit (MFCU) for criminal investigation and prosecution
- A Fair Hearing process is available to dispute actions by SURS

# SURS

- Conduct investigations of potential fraud and abuse based on complaints and referrals and data mining results
- Investigations include:
  - Policy review
  - Claim payment review
  - Review of outliers
    - Spikes in payment for certain provider types
    - High use of specific codes
    - Review of high-risk claims (provider types known for fraudulent practices)
    - Review of procedure/codes paid at a percentage of billed charges

## SURS – Definition of Abuse

- Abuse means provider practices that are inconsistent with sound fiscal, business or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes beneficiary practices that result in unnecessary cost to the Medicaid program. (42 CFR 455.2)

# SURS – Definition of Fraud

- Fraud is an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person. It includes any act that constitutes fraud under applicable federal or state law. (42 CFR 455.2)

# SURS – Definition improper payment

- An improper payment is any payment that is billed to or paid by the SD Medicaid program that is not in accordance with:
  - The Medicaid policy governing the service provided
  - Provider billing manuals
  - Federal law or state statutes
- An improper payment can be an overpayment or an underpayment made to the provider

# SURS – Examples of improper payments

- Payments for ineligible recipients
- Payments for ineligible, non-covered or unauthorized services
- Duplicate payments
- Payments for services that were not provided or received
- Payments for unbundled services when an all-inclusive bundled code should have been billed
- Payments not in accordance with applicable pricing or rates
- Data entry errors resulting in incorrect payments
- Payments where the incorrect procedure code was billed (up-coding)
- Payments over Medicaid allowable amounts
- Payments for non-medically necessary services
- Payments where an incorrect number of units were billed
- Submittal of claims for unauthorized visits
- Payments that cannot be substantiated by appropriate or sufficient medical or service record documentation

*Improper payments can also be classified as fraud and/or abuse*

# Quality Control

- In addition to the SURS unit the South Dakota Medical Foundation reviews:
  - Post-payment review of approximately 500 hospital claims a month
- Common errors
  - Incorrect patient and/or provider information
  - Incorrect codes
  - Mismatched medical codes
  - Duplicate Billing
  - Undercoding
  - Upcoding
- Provider Education on common errors

# SURS – investigation audits

- Review downloads of provider and recipient claims information from MMIS on a daily basis
- Sends out monthly survey letters to recipients
- Review Provider accounts with negative balances
- Ensure the MMIS System is adjudicating claims in compliance with Medicaid's Administrative Rules

# SURS - Audits

SURS assists with conducting these audits

## **Legislative Audit**

State Audit for the use of Governmental Funds

## **PERM Audit** - Payment Error Rate Measurement

Audit payment errors in our MMIS

Audit for correct payment and medical necessity of claim

## **MIC Audit** – Medicaid Integrity Contractors

MICs are contracted directly with CMS to conduct data mining activities and provider audits

## **RAC Audit** – Recovery Audit Contactor

Created through the Medicare Modernization Act of 2003 (MMA) to identify and recover improper Medicare / Medicaid payments paid to healthcare providers under fee-for-service (FFS) Medicare / Medicaid plans

South Dakota is currently exempt from this audit

# WHERE CAN I FIND MORE INFORMATION?

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- **SOUTH DAKOTA MEDICAID WEBSITE**
  - <http://dss.sd.gov/medicaid/>
- **SOUTH DAKOTA MEDICAID LISTSERV**
  - <http://dss.sd.gov/medicaid/contact/ListServ.aspx>
- **FREQUENTLY ASKED QUESTIONS**
  - <http://dss.sd.gov/medicaid/generalinfo/faq.aspx>
- **ICD-10**
  - <https://dss.sd.gov/medicaid/providers/icd10training.aspx>

# Questions?

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- **MEDICAID ELIGIBILITY: 1.800.452.7691**
  - South Dakota Medicaid Interactive Voice Response (IVR) is an automated system that describes recipient's eligibility for Medicaid over the phone. You must know your NPI and the recipient's Medicaid ID number when you call. Calls take approximately 1 minute to complete. Out-Of-State call 605.945.5006
- **CLAIMS QUESTIONS: 1.800.452.7691**
- **PROVIDER ENROLLMENT: 1.866.718.0084**