SFY 2017 Strategic Plan and Operational Framework

July 2016

Utah Office of
Inspector General

Background

The Utah Office of Inspector General (UOIG or Office) of Medicaid Services is an independent agency established by state legislative action during the 2011 legislative session. Utah Legislators established the Office as an oversight agency for the Medicaid program within the State of Utah. The Office was originally organized as an independent office under the Governor's Office of Planning and Budget. The Utah Department of Health's Bureau of Program Integrity was disbanded to create the UOIG. The Office assumed responsibility for tasks outlined in Utah Code and additionally entered into a Memorandum of Understanding (MOU) with the Utah Department of Health (UDOH) to perform certain program integrity functions required of a Medicaid program as outlined in 42 CFR 455 and 456.

In 2013 the Office was moved from the Governor's Office of Planning and Budget, which by that time had been reorganized as the Governor's Office of Management and Budget, to the Department of Administrative Services (DAS).

The MOU between the OIG and DOH proved problematic for the Office since tasks assigned by Utah Code and tasks agreed to under the MOU are so similar they frequently overlap.

Authority

Duties and Responsibilities of the UOIG are outlined in Utah Code 63A-13.

Standards

These documents seek to incorporate principles and standards found in the Association of Inspectors' General *Principles and Standards for Offices of Inspector General*, commonly referred to as the Green Book. Additionally they incorporate standards outlined in the United States Government Accountability Office's *Government Auditing Standards*, 2011 Revision, commonly referred to as the GAO Yellow Book.

Purpose

The UOIG 5-year Strategic Plan and Operational Framework is a guide to how the Office will conduct business and what standards will apply to the Office's work. It also serves to delineate between tasks assigned within Utah Code and tasks agreed to through the MOU. The 5-year Plan is built on careful analysis of how the Office conducted business over the first five years of operation and how it expects to conduct business over the next five years. The Operational Framework will serve as a guide as the Office fulfills its primary mission of identifying fraud, waste, and abuse in the Medicaid system, identifies root causes of those

problems, and makes recommendations for improvement of policy and procedures that address those root causes.

Guiding Principles

The priority of this Office is to seek fraud, waste and abuse within the Medicaid system. All UOIG employees shall adhere to the following principles; which represent the level of professionalism expected of them as they represent the taxpayers of Utah.

Independence

The greatest potential impairment to the Office's work is the appearance of a loss of independence. All members of UOIG staff will identify and immediately report any impairment to their independence annually and upon receiving an assignment.

Planning

The UOIG will create plans to address any problem they encounter. A planning committee will address the problem, identify the root causes of the problem and will determine the best course of action to audit or investigate the problem.

Organizing

The UOIG will create an organizational structure that lends itself to the most efficient and effective employment of State and Federal resources.

Staff Qualifications

UOIG management will actively seek external training opportunities, within budgetary constraints, that improve employees' qualification to conduct the work of an Office of Inspector General. Internal training will take place continually and will seek to improve efficiency of the Office.

Direction and Control

UOIG leaders, at all levels, will lead by example. Office leadership will ensure employees are provided adequate guidance, supervision, and resources to accomplish their mission. Managers will ensure quality control measures are established and applied.

Coordination

The UOIG will seek to work cooperatively with all of its stakeholders to ensure effective communication is achieved and duplication of effort is avoided.

Reporting

Reporting is a key component of an Office of Inspector General. The UOIG will keep appropriate officials and the public informed of its activities, findings, recommendations, and accomplishments consistent with its mission, legal authority and confidentiality requirements.

Confidentiality

The UOIG will establish and follow procedures for safeguarding the identity of confidential sources and for protecting privileged and confidential information. Specifically,

- confidential sources who make complaints or provide information to the OIG will not have their identities disclosed without their consent unless the Inspector General determines such disclosure is required by law or necessary to further the purposes of an audit, investigation, inspection, evaluation, review, or other inquiry; and,
- privileged or confidential information gathered by the OIG will be protected from disclosure unless the Inspector General determines that such disclosure is required by law or necessary to further the purposes of an audit, investigation, inspection, evaluation, review, or other inquiry.

UOIG Strategic Plan
State Fiscal Year 2017

Vision Statement

We will be Utah's trusted voice in Medicaid oversight

Mission Statement

The Utah Office of Inspector General of Medicaid Services, on behalf of the Utah Taxpayer, will comprehensively review Medicaid policies, programs, contracts and services in order to identify root problems contributing to fraud, waste, and abuse within the system and make recommendations for improvement to Medicaid management and the provider community.

Ethics Statement

The Utah Office of Inspector General of Medicaid Services adopts the standards found in the Association of Inspectors General Principles and Standards for Offices of Inspector General, commonly referred to as "the green book". Values represent what communities find desirable, important, and morally proper. Values also serve as a tool to evaluate our own personal actions and the actions of others. As an Office of Inspector General we recognize the importance of ethical behavior in all aspects of our performance, both individually and collectively. As such, all employees should seek to embrace the following ethical behaviors:

Accountability- We will be accountable to the taxpayers of Utah as we seek to ensure accountability of those over whom we have oversight.

Responsibility- We will accept the consequences for all outputs our Office creates. We will not accept the easy wrong over the hard right. Our findings are our findings, our recommendations are our recommendations, and we will accept responsibility for them.

Respect- We will treat all stakeholders and other UOIG employees with dignity. We will treat them the way we expect them to treat us.

Fairness- We will ensure facts, rather than biases or other conflicts of interest, determine our findings and recommendations.

Thoroughness- We will make every effort to ensure all aspects of an assignment are evaluated fully as we conduct audits, investigations, inspections, self-audits, evaluations, and reviews.

Strength- We will not allow others to undermine our work as an Office of Inspector General. We will use our authority wisely, but to the fullest extent possible.

Transparency- We will report all of our findings as long as they do not include personal health information or information otherwise restricted for public release.

Objectives and Goals

Objective 1: Organize for Success

1a: Create and document an operational framework to help guide the work of the Office.

1b: Evaluate the current organizational chart, based on the new operational framework, to determine the best structure.

1c: Evaluate the current case management system and identify ways for improvement.

1d: Incorporate the standards and principles of the AIG Green Book and GAO Yellow Book.

Objective 2: Develop the Team

2a: Initiate a performance plan and evaluation system.

2b: Seek external training opportunities for employees.

2c: Develop or incorporate a manager development program.

2d: Develop an internal training program.

Objective 3: Improve Stakeholder Relations

3a: Launch new website.

3b: Create a social media plan.

3c: Rewrite and publish the administrative rules.

Objective 4: Incorporate new methods for identifying fraud, waste, and abuse in the Medicaid system
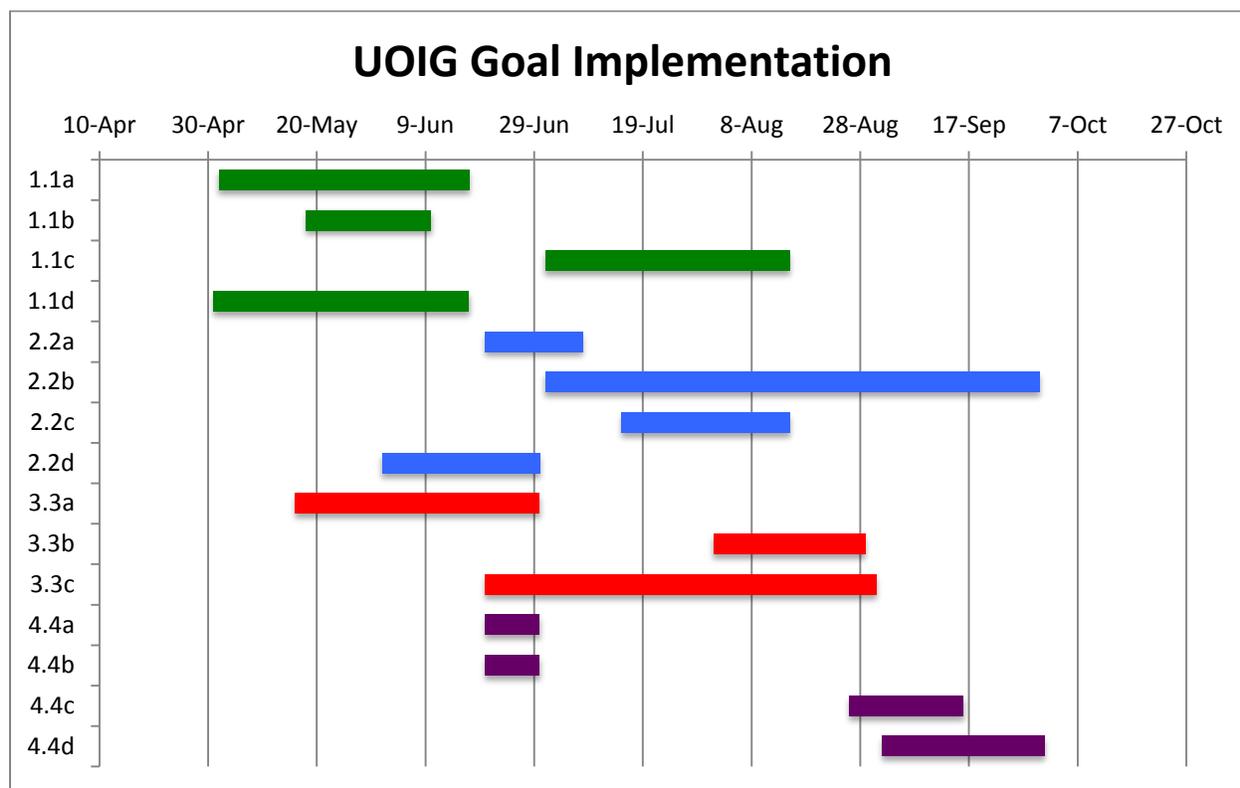
4a: Publish a one year audit plan.

4b: Create a one year plan for reviewing specific provider types.

4c: Develop a KPI dashboard.

4d: Develop a contract oversight program.
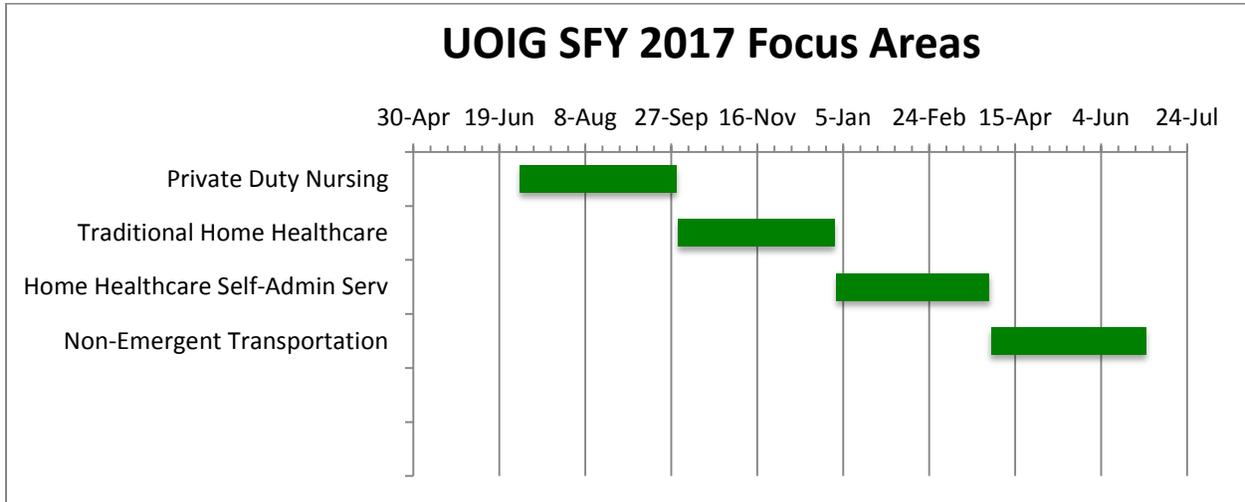
Goal Timeline

Key Performance Indicators (KPI)

1. Audits completed
2. Recommendations made
3. Recommendations implemented by Medicaid
4. Investigations initiated
5. Investigations completed
6. Investigations that result in hearings
7. Return on investment (ROI)
8. Cost avoidance amount
9. Training events

FY 2017 Focus Areas

During State Fiscal Year 2017 the UOIG quarterly focus will be home healthcare centric. This problem continues to be of great concern, both nationally and at the state level. We will partner with external stakeholders to define the problem, compare other States' best practices, evaluate possible solutions, and make recommendations. The policy, data and legal sections will conduct reviews of the specified areas the month prior to the start of each quarter. The Office will seek opportunities to leverage all aspects of its Operational

Framework to address these problems. These focus areas are a guide and other work will continue simultaneous. This section does not restrict the Office in any other investigations or audits that are identified during the course of other work.

UOIG SFY 2017 Focus Areas

	30-Apr	19-Jun	8-Aug	27-Sep	16-Nov	5-Jan	24-Feb	15-Apr	4-Jun	24-Jul

Private Duty Nursing

Traditional Home Healthcare

Home Healthcare Self-Admin Serv

Non-Emergent Transportation

UOIG

Operational Framework

Introduction

The Utah Office of Inspector General's Operational Framework is a general framework that will guide work functions conducted by the Office. There are three levels of internal control within the UOIG; strategic, operational, and processes. This operational framework supports the strategic plan while providing overarching guidelines for how processes shall be applied.

There are five phases associated with this framework, which are:
1. Identify the problem
2. Plan the best course of action to address the problem
3. Execute the plan
4. Report the outcomes of the execution phase
5. Follow-up on the result

Identify the Problem

A problem is defined as identification of any concern that may lead to the implementation of any of the six protocols.

Identifying problems is the responsibility of every employee of the Utah Office of Inspector General. The Office is statutorily required, under Utah Code Ann. § 63A-13 to "investigate and identify potential or actual fraud, waste, or abuse in the state Medicaid program." Any problem identified within policy, contracts, or through billing practices may be considered potential fraud, waste, or abuse.

Problems are identified or received through any of the following methods:
1. Hotline calls. The UOIG maintains a hotline where any government employee, provider, or citizen may report suspected fraud, waste or abuse. The hotline phone number can be found on the UOIG website and is briefed at every training event conducted by the Office.
2. Website referrals. The UOIG website contains prominent links to a reporting page where government employees, providers, or citizens may report suspected fraud, waste, or abuse. When submitted correctly the form is sent to mpi@utah.gov which the admin team monitors daily.
3. Data analysis. Data pulls and their subsequent analysis frequently identify billing anomalies associated with specific facilities or providers.
4. Policy reviews: The Office conducts regular reviews of Medicaid policy. During the course of those reviews questions arise regarding aspects of policy that require further scrutiny.
5. Contract reviews. The Office conducts reviews of any contract or memorandum of understanding entered into by Medicaid. The purpose of these reviews is to identify internal controls and to ensure compliance by both parties.
6. Word of mouth referrals. The Office receives complaints directly from employees of agencies who perform Medicaid functions.

Any person making a referral to the UOIG may do so unanimously.

Once the Office identifies a problem, through any of the listed methods, it is entered as a lead into the case management system and assigned to the Deputy Inspector General. The Deputy Inspector General assumes responsibility for the problem during the planning phase.

Plan the Best Course of Action to Address the Problem

The UOIG Planning Committee is responsible for determining how to address problems received by, or identified within, the Office. The committee is comprised of the Inspector General, Deputy Inspector General, Audit Manager, Investigations Manager, Program Integrity Manager, Policy and Training Coordinator, and the Data Analyst.

The Planning Committee will convene at least weekly, normally on Monday morning.

The committee will seek to answer the following questions regarding each problem brought before it:
1. Does the UOIG have jurisdiction?
2. Is fraud suspected?
3. What is the impact?
4. Is it more appropriate for another State Agency to address this problem?
5. What is a realistic timeline for addressing this problem?
6. Is a legal review required?
7. Is a policy review required?
8. Is additional data required?
9. Which section will be responsible for this problem?

The Deputy Inspector General will coordinate the transfer of the referral when the committee determines another State Agency is more appropriate to address the problem.

The problem will be assigned to one of the Managers during the planning meeting, who assumes accountability for the problem through all remaining steps. The "assigned to" field in the case management system will be changed to the assigned manager during the committee meeting.

Planning will be accomplished within one week after receipt or identification of the problem unless additional data, legal review, or policy review is needed. In those cases the Committee will review the problem the following week and make the assignment.

Execution

The execution phase is the responsibility of the section manager the case is assigned to. Once the manager receives the problem they will assign the case to one or more employees within their section. Those employees and the manager will create an execution plan in coordination with the data analyst, the attorney, and the policy and training specialist. An assignment document will be created and entered into the case management system along with a statement of independence for those assigned to the case.

There are six protocols the audit/investigation team may choose to employ to address the problem. Supporting processes for each protocol can be found in the process manual. The six protocols, two major and four minor, are:

Major
1. Audit
2. Investigation
Minor
3. Inspection
4. Self-Audit
5. Evaluation
6. Reviews

Uses of the terms major and minor are not intended to diminish the importance of one protocol over another. The protocols designated as major will always stand alone and will not be part of any other protocol. Those designated as minor may stand alone or may be included as part of a protocol designated as major.

Audit: The purpose of an audit is to review, in detail, processes, financial practices, programs, products, etc. to provide recommendations to management for improvement. UOIG audits are usually process or financial in nature. An audit follows a rigid, administrative rules based structure. The expected outcome of an audit is an audit report. All audits are conducted using standards found in the United States Government Accountability Office (GAO) <u>Government Auditing Standards, 2011 Revision</u>.

Investigation: The purpose of a UOIG investigation is to gather facts in order to confirm or deny allegations of fraud, waste, or abuse within the Utah Medicaid system. An investigation may or may not be conducted on-site based on the needs of the investigator. An investigation is planned, but not rigidly structured to allow the investigator to follow additional leads related to the case that may arise.

Inspection: The purpose of an inspection is to ensure compliance with specific policies or contracts, or any subpart of them. Inspections are always conducted on-site and will be checklist oriented. The checklist will be created based on policy or contract review in place at the time of the inspection. The inspection will seek to answer the question, "is this policy, procedure, or tenant of a contract being performed correctly?"

Self-audit: The purpose of a self-audit is to identify correctable billing practices and then allow Medicaid providers to review and correct the problems within their own practices. Self-audits are based on cost benefit analysis (CBA) where cost to the State of Utah, in employee hours, outweighs the amount of the recovery. Self-audits must be low to medium risk and will be policy based. Self-audits ensure compliance with policy and/or contract provision while simultaneously training providers.

Evaluation (Short Audit): The purpose of an evaluation is to review a very narrow scope of a process, program, practice, or product to ensure compliance with statute, rules, regulations, policies, or contract provisions. An evaluation will follow standards established in the Association of Inspectors General <u>Principles and Standards for Offices of Inspector General</u>.

Review: The purpose of a review is to ensure proper billing by providers, proper payments by Medicaid, or to ensure information going to providers is accurate and complies with CMS rules and regulations. Reviews conducted by the UOIG include Post Payment Reviews (PPR), Medical records reviews, and MIB/Policy Manual reviews.

The execution phase ends with the production of an output. Outputs commonly created by the Office include:
- Audit Reports
- Investigation Reports
- Notices of Recovery (NOR)
- Referrals
- Corrective Action Plans (CAP)
- Advisory Memos
- Report of No Action

Managers are responsible for ensuring completeness and accuracy of all outputs.

Reporting

Reporting is a critical function of any Office of Inspector General to ensure transparency in government operations. Outputs will be reported. Reporting will occur both internally and externally.

Internal Reporting will occur during weekly OIG staff meetings and will include a brief description of the problem, protocol employed to address the problem, findings, recommendations, and lessons learned including areas within the protocols that may need changing.

The purpose of the internal report is to share lessons learned with the entire OIG staff and to keep staff informed.

Management bases external reporting requirements on analysis of the desired audience and the information that is to be released. There are five levels of distribution:

Level 1: Distribution of the output to appropriate agencies and government officials.
Level 2: Uploading the output to the UOIG website, if appropriate.
Level 3: Distribution through the Listserv to notify the provider community.
Level 4: The use of social media (Facebook and Twitter) to notify a broader audience.
Level 5: Press releases to notify the broadest audience possible.

The distribution levels are hierarchal. Level 1 will be used for all reporting, but if level 3 is used, for example, then levels 1 and 2 are also employed.

The reporting phase begins once the manager approves the output and the Inspector General has reviewed and authorized the output for release. It ends when the chosen level of distribution is achieved.

Follow-up

The auditor/investigators assigned to a problem will include a follow-up plan in the execution plan for each problem. The purpose of follow-up is to ensure implementation or completion of recommendations, corrective action plans, recoveries, etc.

Appropriate follow-up may include data pulls to identify changes in behaviors (cost avoidance), review of corrective action plans to ensure implementation, or review of recommendations to determine rather or not the recommendations were implanted. Follow-up may include re-conducting an entire protocol or of the minor protocols to determine effectiveness.