NORTHERN MICHIGAN REGIONAL ENTITY
VERIFICATION OF DELIVERY OF MEDICAID SERVICES ENCOUNTERED
PLAN # 04-05-003-16

Overview

The Northern Michigan Regional Entity (NMRE), as a prepaid inpatient health plan (PIHP), is responsible for ensuring the provision of, and payment for, mental health, intellectual/developmental disabilities, and substance use disorder services to Medicaid recipients residing in Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Emmet, Grand Traverse, Iosco, Kalkaska, Leelanau, Manistee, Missaukee, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon, and Wexford Counties.

The managed care functions of the prepaid inpatient health plan are managed through the NMRE. Services are provided by one of five CMHSP Boards (AuSable Valley CMH, Manistee Benzie CMH d.b.a. Centra Wellness Network, North Country CMH, Northeast Michigan CMH, and Northern Lakes CMH) or by contractual arrangement with other providers i.e. Substance Use Disorder Service Providers and Community Inpatient Facilities. A part of the responsibility of the NMRE is to ensure that all services for which encounters are paid are delivered consistent with a person-centered plan. This document presents those elements employed by the NMRE to verify delivery of Medicaid services encountered.

Purpose

The elements of encounter verification described in this document serve several purposes. The purposes include, but are not limited to:

- Ensure that all services reported have been properly performed and documented;
- Ensure that all services delivered and documented have been properly reported/claimed;
- Identify trends for improving services, topics for training, and systems or procedural changes needed; and
- Provide a means to identify circumstances and situations of non-compliance.

Scope

The elements of encounter verification described in this document apply to all services provided pursuant to the MDHHS/PIHP Medicaid Managed Specialty Services and Supports Contract between the Michigan Department of Health and Human Services (MDHHS) and the NMRE. This includes Medicaid and Health Michigan Plan services only. It does not apply to Substance Use Disorder Block Grant and P.A. 2 funded services.

Verification of Service Delivery

Verification procedures will be performed by qualified PIHP staff or contractor, as determined the PIHP CEO. The PIHP will follow prescribed processes for identifying staff or contracted agencies that may have a conflict of interest regarding the provider of services being verified. Verification procedures may not be delegated to providers or CMHSPs. The PIHP will perform this function for all providers including those under contract to the agencies listed above.

The PIHP verification methodology will include testing data elements from individual encounters against clinical records and the use of data analytics, as prescribed within the MDHHS Technical Requirements. Additional elements may be included to support the PIHP's quality improvement efforts around encounter data.

Sampling Methodology

The PIHP will fully document the sampling methodology used to determine sampling for claims verification, including any tools used to assist in the sample determination process. The Sampling Universe shall be in a fiscal year period of Medicaid/Healthy Michigan encounters. A random sample based on encounters received by the NMRE will be used for sampling. The PIHP will comply with OIG standards for sampling.

Separate sampling and verification will be performed at each major provider in the NMRE network, as well as a single test encompassing all remaining providers. Major providers include ALL providers paid via sub-capitation arrangement and any other providers that represent more than 25% of the PIHP encounters in either unit volume or dollar value, whether direct contracted through the PIHP or subcontracted through a CMH or other Provider. Separate sampling will be performed for encounters generated by a provider's employees and encounters generated through subcontracts of the provider.

Report of Findings:

A standard review instrument will be used for verification of services. Data collection will be consistent using specific criteria for each service based on Medicaid standards. A data base will contain all information identified as pertinent to reporting. A review and analysis of findings will be developed into a written report. The report will include any identified trends based on an analysis of benchmark information, previous findings and current findings. NMRE's written report will notify the appropriate CMHSP/Contract provider of any areas of concern in the provision and documentation of services identified, performance improvement recommendations and an appeals process. It is the responsibility of the Provider to implement corrective action and follow-up as required within designated deadlines.

Corrective Action and Recoupment

All invalid encounters will require corrective action. The PIHP will recoup the total dollar value of any/all invalid encounters and the CMHSP/Contract provider will be required to transmit the voided encounter to the PIHP within the designated timelines. Any combination of errors involving more than five (5) percent of encounters reviewed will constitute a pattern of error. For audit findings less than 95%, a formal corrective action initiative will be required

In the event that a review results in less than 90% verification rate, the PIHP will select a larger sample reflective of services in which the errors were found. . This error rate requires submittal of a performance improvement plan requiring additional training and follow-up by the PIHP

Any verification audit findings that indicate a potential for inappropriate billing and payment for services, A *Notice of Compliance Inquiry* (see attachment) will be sent to the Provider with a cover letter when the initial follow-up warrants further investigation. In the event of intentional or repeated errors, appropriate disciplinary action will be recommended.

Suspicion of Fraud and/or Abuse

If there is suspicion of fraud and/or abuse, the Regulatory Compliance Coordinator will notify the NMRE Chief Executive Officer (CEO) and the Provider's Executive Director of the alleged issue. The NMRE CEO will report the suspicion to Health Services Office of Inspector General (HSOIG) as required by the MDHHS/PIHP Medicaid Managed Specialty Services and Supports Contract. No attempt to further investigate or resolve the issue(s) will be made by the NMRE or the Provider once the issue has been reported to the HSOIG.

Reporting to DHHS

The PIHP will submit the Annual Medicaid Verification of Services Report to DHHS, as prescribed within the DHHS/PIHP Contract Attachment – Technical Requirements, within designated deadline and contents for submission.

REFERENCE

DHHS Medicaid Managed Specialty Supports and Services Concurrent 1915(b) (c) Waiver Contract Medicaid Services Verification – Technical Requirements (September 30, 2015)

REVISED: **April 27, 2016**

REVIEWED:

APPROVED: **April 23, 2014**

Signed copy is on file with NMRE
Dave Schneider
Northern Michigan Regional Entity Chief Executive Officer

Date

Signed copy is on file with NMRE
Joe Stone
Northern Michigan Regional Entity Board Chair

Date

NORTHERN MICHIGAN REGIONAL ENTITY
NOTICE OF COMPLIANCE INQUIRY

Date Completing Form: _____

Issue Identified:

Click here to enter text.

Non-compliance Concern:

Click here to enter text.

Preliminary Findings:

Click here to enter text.

Actions To Be Taken:

Click here to enter text.

_____ _____
Northern Michigan Regional Entity Regulatory Compliance Coordinator Date