

OFFICE OF MEDICAID INSPECTOR GENERAL

Enabling Laws

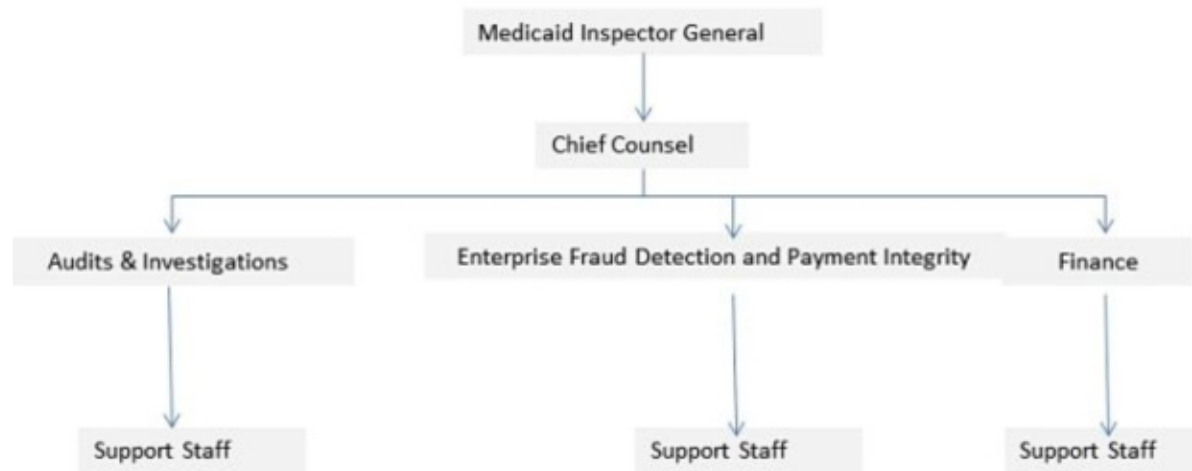
Act 214 of 2016
A.C.A. §20-77-2501 et. seq.
A.C.A. §20-77-2513

History and Organization

The mission of the Office of Medicaid Inspector General (OMIG) is to prevent, detect, and investigate fraud, waste, and abuse within the medical assistance program which is federally required under 42 CFR §455 *et al.* This mission is achieved through auditing Medicaid providers and medical assistance program functions; recovering improperly expended funds; and referring appropriate cases for criminal prosecution. OMIG works closely with providers and the medical assistance program to prevent fraud, waste, and abuse.

Prior to 2013, the program integrity function was housed within the Department of Human Services (DHS), Division of Medical Services (DMS). In order to maximize recovery of improper Medicaid payments and create a more efficient and accountable structure, the state's process for detecting and combating Medicaid fraud and abuse was reorganized and streamlined by Act 1499 of 2013. The Act created the "Office of Medicaid Inspector General," by consolidating the program integrity positions from DMS with two new positions of Medicaid Inspector General and its chief counsel to perform the Medicaid fraud detection, prevention, and recovery functions into a single office within the Office of the Governor effective July 1, 2013. *See Ark. Code Ann. §20-77-2501.*

On June 20, 2015, Governor Asa Hutchinson appointed Elizabeth Smith as Medicaid Inspector General for the State of Arkansas. Prior to this appointment, Inspector General Smith served as chief legal counsel to Governor Hutchinson. Smith has practiced law for over twenty years, including eight years as associate general counsel for the University of Arkansas for Medical Sciences, two years as an assistant attorney general, two years as an associate for Mitchell Williams Selig Gates and Woodyard representing health care providers, and seven and a half years as deputy prosecuting attorney for the 6th Judicial District of Arkansas.



Agency Commentary

The Office of the Medicaid Inspector General is tasked with detecting and preventing fraud, waste, and abuse in the Arkansas Medicaid program. The Office of the Medicaid Inspector General consists of 39 budgeted positions for SFY17 including two positions for the Payment Integrity Unit created in SFY16.

Request #1 - The Office of the Medicaid Inspector General (OMIG) requests additional appropriation and funding for SFY18 and SFY19. OMIG requests additional state appropriation and general revenue of \$69,093 for SFY18 and \$69,293 for SFY19. OMIG receives a minimum of 50% funding from the Medical Assistance Program federal grant. OMIG requests total additional appropriation and funding of \$137,711 for SFY18 and \$140,161 for SFY19 which will come from state general revenue and Medicaid Title XIX (Medical Assistance Program).

The Office of the Medicaid Inspector General (OMIG) audits the providers of Medicaid services. With the ever changing Medicaid programs and state and federal requirements, OMIG is tasked to protect both federal and state funds. OMIG has projected that in order to fulfill the federal requirements and state statute requirements, additional appropriation and funding is required in the following commitment items: regular salaries, personal services matching, operating expenses, conference and travel expenses. OMIG requests a continuance of appropriation and funding for capital outlay commitment item.

Request #2 - The Office of the Medicaid Inspector General (OMIG) is currently reviewing with the Department of Human Services Information Technology Systems on the Enterprise Medicaid Fraud and Abuse Detection (EMFAD) proposal.

As required by statute, CMS must fund a minimum of 80% of the program. The state is liable for a maximum of 20% of the funding, not to exceed a total appropriation of \$4,500,000. OMIG projects the EMFAD program to be implemented in SFY19.

Request #3 - The Office of the Medicaid Inspector General (OMIG) is requesting continuation of cash fund appropriation for the Payment Integrity Unit approved by the PEER Subcommittee of Legislative Council in SFY17.

Fulfillment of these requests will allow the agency to primarily fund facilities and IT infrastructure for the EMFAD program.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE MEDICAID INSPECTOR GENERAL
FOR THE YEAR ENDED JUNE 30, 2015

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	8	13	21	68 %
Black Employees	0	9	9	29 %
Other Racial Minorities	0	1	1	3 %
Total Minorities			10	32 %
Total Employees			31	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Office of the Medicaid Inspector General - Enterprise Fraud Program Quarterly Report	A.C.A. 20-77-2513 (c)	N	Y	10	Statutory Requirement	20	4.00
Office of the Medicaid Inspector General Annual Report	A.C.A. 20-77-2109 (e)	Y	Y	20	Statutory Requirement	0	0.00
Office of the Medicaid Inspector General Quarterly Report	A.C.A. 20 -77-2109 (a)	Y	Y	10	Statutory Requirement	20	4.00

Department Appropriation Summary

Historical Data							Agency Request and Executive Recommendation												
Appropriation		2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
M76	Enterprise Fraud Program	0	0	0	0	4,000,000	0	0	0	3,600,000	0	3,600,000	0	0	0	3,600,000	0	3,600,000	0
M96	OMIG - State Operations	939,727	16	1,182,917	16	1,194,376	17	1,182,740	16	1,251,833	17	1,251,833	17	1,183,391	16	1,252,684	17	1,252,684	17
M97	OMIG - Federal Operations	1,148,066	19	1,499,117	20	1,670,967	21	1,483,102	20	1,551,720	21	1,551,720	21	1,483,761	20	1,554,629	21	1,554,629	21
U32	OMIG - Cash Operations	36,851	2	0	0	0	0	0	0	172,065	2	172,065	2	0	0	174,060	2	174,060	2
V29	Enterprise Fraud Program - State	0	0	0	0	0	0	0	0	900,000	0	900,000	0	0	0	900,000	0	900,000	0
Total		2,124,644	37	2,682,034	35	6,865,343	37	2,665,842	36	7,475,618	39	7,475,618	39	2,667,152	36	7,481,373	39	7,481,373	39

Funding Sources			%		%			%		%		%		%		%		%
General Revenue	4000010	939,727	44.2	1,182,917	44.1		1,182,740	44.4	1,251,833	42.1	1,182,740	40.7	1,183,391	44.4	2,152,684	28.8	1,183,391	18.2
Federal Revenue	4000020	1,184,917	55.8	1,499,117	55.9		1,483,102	55.6	1,637,753	55.0	1,637,753	56.3	1,483,761	55.6	5,241,659	70.1	5,241,659	80.5
Inter-agency Fund Transfer	4000316	0	0.0	0	0.0		0	0.0	86,032	2.9	86,032	3.0	0	0.0	87,030	1.2	87,030	1.3
Total Funds		2,124,644	100.0	2,682,034	100.0		2,665,842	100.0	2,975,618	100.0	2,906,525	100.0	2,667,152	100.0	7,481,373	100.0	6,512,080	100.0
Excess Appropriation/(Funding)		0		0			0		4,500,000		4,569,093		0		0		969,293	
Grand Total		2,124,644		2,682,034		2,665,842		7,475,618		7,475,618		2,667,152		7,481,373		7,481,373		

FCU32 was established in FY16 through a transfer from the Cash Fund Holding Account authorized in Act 1070 of 2015 (33).

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
36	22	0	22	14	38.89 %	36	33	2	35	1	8.33 %	37	33	2	35	2	10.81 %

Analysis of Budget Request

Appropriation: M76 - Enterprise Fraud Program

Funding Sources: FMG - OMIG Federal

The Enterprise Fraud Program was created by Act 259 of 2014 to require the Office of Medicaid Inspector General (OMIG) to establish a program focused on using state-of-the-art enterprise fraud detection technology to enhance the detection and prevention of fraud, waste, and abuse in the Arkansas Medicaid Program. The Act requires OMIG to procure, by competitive bid, an enterprise technology solution which uses current industry standards to provide: automated detection and alerting; continuous monitoring of program transactions; identification of fraud, noncompliance, and improper payments, both prospectively and retrospectively; detection of non-transactional fraud such as program eligibility issues and identity theft; use of state of the art analytical techniques; feedback and self-learning capability that allows the technology to adapt to changing schemes and trends; and demonstrated experience hosting sensitive and regulated state data.

This appropriation is funded through federal revenues and is contingent on the Center for Medicare and Medicaid Services (CMS) approving the funding. Federal revenue must comprise a minimum of 80% of the program funding.

The Agency Request is for \$3,600,000 each year of the biennium for the federal portion of the enterprise fraud technology purchase.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: M76 - Enterprise Fraud Program

Funding Sources: FMG - OMIG Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Enterprise Fraud Program 5900046	0	0	4,000,000	0	3,600,000	3,600,000	0	3,600,000	3,600,000
Total	0	0	4,000,000	0	3,600,000	3,600,000	0	3,600,000	3,600,000
Funding Sources									
Federal Revenue 4000020	0	0		0	0	0	0	3,600,000	3,600,000
Total Funding	0	0		0	0	0	0	3,600,000	3,600,000
Excess Appropriation/(Funding)	0	0		0	3,600,000	3,600,000	0	0	0
Grand Total	0	0		0	3,600,000	3,600,000	0	3,600,000	3,600,000

Change Level by Appropriation

Appropriation: M76 - Enterprise Fraud Program
Funding Sources: FMG - OMIG Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	3,600,000	0	3,600,000	100.0	0	0	0	0.0
C08	Technology	0	0	3,600,000	100.0	3,600,000	0	3,600,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	3,600,000	0	3,600,000	100.0	0	0	0	0.0
C08	Technology	0	0	3,600,000	100.0	3,600,000	0	3,600,000	100.0

Justification

C05	This request is for appropriation to allow the Office of the Medicaid Inspector General to continue progress on the Enterprise Fraud Program.
C08	This request is for appropriation and funding to allow the Office of the Medicaid Inspector General to implement the Enterprise Fraud Program for SFY19. This program must be approved by CMS. CMS will provide funding of 80% and the state is liable for a maximum of 20% of the funding, not to exceed a total appropriatoin of \$4,500,000.

Analysis of Budget Request

Appropriation: M96 - OMIG - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Office of Medicaid Inspector General was established by Act 1499 of 2013. This act transferred the Program Integrity section from the Department of Human Services - Division of Medical Services. The Program Integrity section is federally mandated to comply with federal regulations outlined in 42 CFR Part 455 and 456. The goal of the Program Integrity section is to ensure payments are consistent with the quality of care being provided, verify that medical services are medically necessary and rendered as billed, payments for services are correct and funds identified for collection are pursued. Program Integrity performs on-site reviews to ensure providers are in compliance with Medicaid policy.

This appropriation is funded 100% through general revenue from the Miscellaneous Agencies Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$1,182,740 in FY2018 and \$1,183,391 in FY2019 in appropriation and general revenue funding with sixteen (16) positions.

The Agency Request totals \$69,093 in FY2018 and \$69,293 in FY2019 in appropriation and new general revenue for the following:

- Regular Salaries and Personal Services Matching of \$16,229 each year of the biennium for the state portion of the restoration of one (1) position that was authorized but unbudgeted in FY2017.
- Operating Expenses of \$16,400 in FY2018 and \$21,500 in FY2019 to fulfill federal regulatory and state statute requirements of the Office.
- Conference & Travel Expenses of \$1,300 in FY2018 and \$1,400 in FY2019 to fulfill federal regulatory and state statute requirements of the Office.
- Professional Fees of \$1,665 each year to fulfill federal regulatory and state statute requirements of the Office.
- Capital Outlay of \$30,000 in FY2018 and \$25,000 in FY2019 to allow for equipment purchases needed to meet federal and state requirements.

The Executive Recommendation provides for the Agency Request in appropriation only.

Appropriation Summary

Appropriation: M96 - OMIG - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	595,281	792,673	792,833	799,687	810,600	810,600	799,987	810,900	810,900
#Positions		16	16	17	16	17	17	16	17	17
Extra Help	5010001	3,593	1,500	6,097	1,500	4,999	4,999	1,500	4,999	4,999
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	206,975	254,109	255,092	264,418	269,734	269,734	264,769	270,085	270,085
Operating Expenses	5020002	114,987	114,000	114,451	114,000	130,400	130,400	114,000	135,500	135,500
Conference & Travel Expenses	5050009	1,694	2,000	2,959	2,000	3,300	3,300	2,000	3,400	3,400
Professional Fees	5060010	286	1,135	2,315	1,135	2,800	2,800	1,135	2,800	2,800
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	16,911	17,500	20,629	0	30,000	30,000	0	25,000	25,000
Total		939,727	1,182,917	1,194,376	1,182,740	1,251,833	1,251,833	1,183,391	1,252,684	1,252,684
Funding Sources										
General Revenue	4000010	939,727	1,182,917		1,182,740	1,251,833	1,182,740	1,183,391	1,252,684	1,183,391
Total Funding		939,727	1,182,917		1,182,740	1,251,833	1,182,740	1,183,391	1,252,684	1,183,391
Excess Appropriation/(Funding)		0	0		0	0	69,093	0	0	69,293
Grand Total		939,727	1,182,917		1,182,740	1,251,833	1,251,833	1,183,391	1,252,684	1,252,684

Change Level by Appropriation

Appropriation: M96 - OMIG - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,182,740	16	1,182,740	100.0	1,183,391	16	1,183,391	100.0
C01	Existing Program	53,145	0	1,235,885	104.5	53,345	0	1,236,736	104.5
C06	Restore Position/Approp	15,948	1	1,251,833	105.8	15,948	1	1,252,684	105.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,182,740	16	1,182,740	100.0	1,183,391	16	1,183,391	100.0
C01	Existing Program	53,145	0	1,235,885	104.5	53,345	0	1,236,736	104.5
C06	Restore Position/Approp	15,948	1	1,251,833	105.8	15,948	1	1,252,684	105.9

Justification

C01	The Office of the Medicaid Inspector General is requesting appropriation and funding to fulfill the federal regulatory requirements and state statute requirements for operating, conference and travel, and professional fees.
C06	Requesting to restore appropriation and funding for one position to allow the Office of Medicaid Inspector General to operate at full staff.

Analysis of Budget Request

Appropriation: M97 - OMIG - Federal Operations

Funding Sources: FMG - OMIG Federal Operations

The Office of Medicaid Inspector General was established by Act 1499 of 2013. This act transferred the Program Integrity section from the Department of Human Services - Division of Medical Services. The Program Integrity section is federally mandated to comply with federal regulations outlined in 42 CFR Part 455 and 456. The goal of the Program Integrity section is to ensure payments are consistent with the quality of care being provided, verify that medical services are medically necessary and rendered as billed, payments for services are correct and funds identified for collection are pursued. Program Integrity performs on-site reviews to ensure providers are in compliance with Medicaid policy.

This appropriation is funded 100% through Federal revenue provided by the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$1,483,102 in FY2018 and \$1,483,761 in FY2019 with twenty (20) positions.

The Agency Request totals \$68,618 in FY2018 and \$70,868 in FY2019 for the following:

- Regular Salaries and Personal Services Matching of \$16,235 each year of the biennium for the federal portion of the restoration of one (1) position that was authorized but unbudgeted in FY2017.
- Operating Expenses of \$16,400 in FY2018 and \$23,550 in FY2019 to fulfill federal regulatory and state statute requirements of the Office.
- Conference & Travel Expenses of \$1,300 in FY2018 and \$1,400 in FY2019 to fulfill federal regulatory and state statute requirements of the Office.
- Professional Fees of \$1,382 each year to fulfill federal regulatory and state statute requirements of the Office.
- Capital Outlay of \$30,000 in FY2018 and \$25,000 in FY2019 to allow for equipment purchases needed to meet federal and state requirements.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: M97 - OMIG - Federal Operations

Funding Sources: FMG - OMIG Federal Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	750,257	1,007,074	1,105,519	1,001,371	1,012,285	1,012,285	1,001,671	1,012,585	1,012,585
#Positions		19	20	21	20	21	21	20	21	21
Extra Help	5010001	3,593	1,500	8,681	1,500	5,001	5,001	1,500	5,001	5,001
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	259,702	324,081	356,932	331,269	336,590	336,590	331,628	336,949	336,949
Operating Expenses	5020002	115,503	144,944	162,954	144,944	161,344	161,344	144,944	168,494	168,494
Conference & Travel Expenses	5050009	1,814	2,600	4,213	2,600	3,700	3,700	2,600	3,800	3,800
Professional Fees	5060010	286	1,418	3,297	1,418	2,800	2,800	1,418	2,800	2,800
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	16,911	17,500	29,371	0	30,000	30,000	0	25,000	25,000
Total		1,148,066	1,499,117	1,670,967	1,483,102	1,551,720	1,551,720	1,483,761	1,554,629	1,554,629
Funding Sources										
Federal Revenue	4000020	1,148,066	1,499,117		1,483,102	1,551,720	1,551,720	1,483,761	1,554,629	1,554,629
Total Funding		1,148,066	1,499,117		1,483,102	1,551,720	1,551,720	1,483,761	1,554,629	1,554,629
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,148,066	1,499,117		1,483,102	1,551,720	1,551,720	1,483,761	1,554,629	1,554,629

Change Level by Appropriation

Appropriation: M97 - OMIG - Federal Operations
Funding Sources: FMG - OMIG Federal Operations

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,483,102	20	1,483,102	100.0	1,483,761	20	1,483,761	100.0
C01	Existing Program	52,666	0	1,535,768	103.6	54,916	0	1,538,677	103.7
C06	Restore Position/Approp	15,952	1	1,551,720	104.6	15,952	1	1,554,629	104.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,483,102	20	1,483,102	100.0	1,483,761	20	1,483,761	100.0
C01	Existing Program	52,666	0	1,535,768	103.6	54,916	0	1,538,677	103.7
C06	Restore Position/Approp	15,952	1	1,551,720	104.6	15,952	1	1,554,629	104.8

Justification

C01	Requesting appropriation to fulfill the federal regulatory requirements and state statute requirements. Medicaid receives a minimum of 50% federal match for operating, conference and travel, and professional fees.
C06	Requesting to restore position and appropriation. This will provide the federal match.

Analysis of Budget Request

Appropriation: U32 - OMIG - Cash Operations

Funding Sources: NMI - OMIG Cash in Treasury

This appropriation was established in FY2016 through a cash fund appropriation request approved by Legislative Council for the operations of the OMIG Payment Integrity Unit.

Funding for this appropriation is derived from a transfer from the Department of Human Services.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for \$172,065 in FY2018 and \$174,060 in FY2019 to cover the operations of the Payment Integrity Unit within OMIG. The breakdown of the request is as follows:

- Regular Salaries and Personal Services Matching of \$150,475 each year of the biennium for one (1) OMIG Operations Manager C125 and one (1) Legal Services Specialist C117;
- Operating Expenses of \$15,000 each year of the biennium;
- Conference & Travel Fees of \$5,590 in FY2018 and \$6,710 in FY2019; and
- Professional Fees of \$1,000 in FY2018 and \$1,200 in FY2019.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: U32 - OMIG - Cash Operations

Funding Sources: NMI - OMIG Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	30,170	0	0	0	114,086	114,086	0	114,086	114,086
#Positions		2	0	0	0	2	2	0	2	2
Personal Services Matching	5010003	6,681	0	0	0	36,389	36,389	0	36,389	36,389
Operating Expenses	5020002	0	0	0	0	15,000	15,000	0	15,675	15,675
Conference & Travel Expenses	5050009	0	0	0	0	5,590	5,590	0	6,710	6,710
Professional Fees	5060010	0	0	0	0	1,000	1,000	0	1,200	1,200
Total		36,851	0	0	0	172,065	172,065	0	174,060	174,060
Funding Sources										
Federal Revenue	4000020	36,851	0		0	86,033	86,033	0	87,030	87,030
Inter-agency Fund Transfer	4000316	0	0		0	86,032	86,032	0	87,030	87,030
Total Funding		36,851	0		0	172,065	172,065	0	174,060	174,060
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		36,851	0		0	172,065	172,065	0	174,060	174,060

Change Level by Appropriation

Appropriation: U32 - OMIG - Cash Operations
Funding Sources: NMI - OMIG Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C02	New Program	21,590	0	21,590	100.0	23,585	0	23,585	100.0
C06	Restore Position/Approp	150,475	2	172,065	797.0	150,475	2	174,060	738.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C02	New Program	21,590	0	21,590	100.0	23,585	0	23,585	100.0
C06	Restore Position/Approp	150,475	2	172,065	797.0	150,475	2	174,060	738.0

Justification

C02	This request is a cash fund appropriation request for the Payment Integrity Unit approved by PEER in SFY17. The Payment Integrity Unit was created by the Office of the Medicaid Inspector General and the Department of Human Services.
C06	Requesting to restore appropriation and funding for two positions to allow the Office of Medicaid Inspector General to operate the Payment Integrity Unit.

Analysis of Budget Request

Appropriation: V29 - Enterprise Fraud Program - State

Funding Sources: HUA - Miscellaneous Agencies Fund

The Enterprise Fraud Program was created by Act 259 of 2014 to require the Office of Medicaid Inspector General (OMIG) to establish a program focused on using state-of-the-art enterprise fraud detection technology to enhance the detection and prevention of fraud, waste, and abuse in the Arkansas Medicaid Program. The Act requires OMIG to procure, by competitive bid, an enterprise technology solution which uses current industry standards to provide: automated detection and alerting; continuous monitoring of program transactions; identification of fraud, noncompliance, and improper payments, both prospectively and retrospectively; detection of non-transactional fraud such as program eligibility issues and identity theft; use of state of the art analytical techniques; feedback and self-learning capability that allows the technology to adapt to changing schemes and trends; and demonstrated experience hosting sensitive and regulated state data.

This appropriation is requested to be funded through general revenue and is contingent on the Center for Medicare and Medicaid Services (CMS) approving the federal funding for the program. Federal revenue must comprise a minimum of 80% of the program funding.

The Agency Request is for \$900,000 in appropriation each year with \$900,000 in new general revenue in FY2019 to be used for the state matching portion of the enterprise fraud technology purchase.

The Executive Recommendation provides for the Agency Request in appropriation only.

Appropriation Summary

Appropriation: V29 - Enterprise Fraud Program - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Enterprise Fraud Program 5900046	0	0	0	0	900,000	900,000	0	900,000	900,000
Total	0	0	0	0	900,000	900,000	0	900,000	900,000
Funding Sources									
General Revenue 4000010	0	0		0	0	0	0	900,000	0
Total Funding	0	0		0	0	0	0	900,000	0
Excess Appropriation/(Funding)	0	0		0	900,000	900,000	0	0	900,000
Grand Total	0	0		0	900,000	900,000	0	900,000	900,000

Change Level by Appropriation

Appropriation: V29 - Enterprise Fraud Program - State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	900,000	0	900,000	100.0	0	0	0	0.0
C08	Technology	0	0	900,000	100.0	900,000	0	900,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	900,000	0	900,000	100.0	0	0	0	0.0
C08	Technology	0	0	900,000	100.0	900,000	0	900,000	100.0

Justification

C05	This request is for appropriation to allow the Office of the Medicaid Inspector General to continue progress on the Enterprise Fraud Program.
C08	This request is for appropriation and funding to allow the Office of the Medicaid Inspector General to implement the Enterprise Fraud Program for SFY19. This program must be approved by CMS. CMS will provide funding of 80% and the state is liable for a maximum of 20% of the funding, not to exceed a total appropriatoin of \$4,500,000.