GAO Highlights

Highlights of GAO-15-207, a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Medicaid is a joint federal-state program that provides health care coverage to certain low-income individuals. The program is overseen by CMS, while the states that administer Medicaid are tasked with taking actions to ensure its integrity. Such actions include implementing IT systems that provide program integrity analysts with capabilities to assess claims, provider, beneficiary, and other data relevant to Medicaid; and supporting efforts to prevent and detect improper payments to providers.

GAO was asked to review states' implementation of IT systems that support Medicaid. GAO determined (1) the types and implementation status of the systems used by states to support program integrity initiatives; (2) the extent to which CMS is making available data, technical resources, and funds to support Medicaid programs' efforts to implement systems, and the effectiveness of the states' systems; and (3) key challenges that Medicaid programs have faced in using IT to enhance program integrity initiatives, and CMS's actions to support efforts to overcome them. To do this, GAO analyzed information from 10 selected states covering a range of expenditures on such systems, reviewed program management documentation, and interviewed CMS officials.

What GAO Recommends

GAO recommends that CMS require states to measure and report quantifiable benefits of program integrity systems when requesting federal funds, and to reflect their approach for doing so. The agency agreed with the recommendation.

View GAO-15-207. For more information, contact Valerie C. Melvin, (202) 512-6304, melvinv@gao.gov or Carolyn L. Yocom at yocomc@gao.gov or (202) 512-7114.

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MEDICAID INFORMATION TECHNOLOGY

CMS Supports Use of Program Integrity Systems but Should Require States to Determine Effectiveness

What GAO Found

In the 10 selected states reviewed, GAO found the use of varying types of information technology (IT) systems to support efforts to prevent and detect improper payments. All 10 states had implemented a Medicaid Management Information System (MMIS) to process claims and support their program integrity efforts, and 7 had implemented additional types of systems to meet specific needs. Three states were operating MMISs that were implemented more than 20 years ago, but 7 states had upgraded their MMISs, and 2 of those had done so in the past 2 years. In addition, 7 states had implemented other systems, such as data analytics and decision support systems that enabled complex reviews of multiple claims and identification of providers' billing patterns that could be fraudulent. While the MMISs and other systems implemented by the 10 states were designed primarily for administering Medicaid as a fee-for-service program, in which providers file claims for reimbursement for each service delivered to patients, officials with 7 of the 10 states also administered managed care plans–plans for which provider organizations are reimbursed based on a fixed amount each month–and 1 state administered Medicaid exclusively as managed care. Officials with the 9 states who administered fee-for-service plans said they used their systems to help conduct pre- and post-payment reviews of claims.

All 10 states received technical and financial support from the Centers for Medicare & Medicaid Services (CMS) for implementing the systems. For example, they accessed the agency's databases to collect information that helped determine providers' eligibility to enroll in Medicaid. In addition, all 10 states had participated in training, technical workgroups, and collaborative sessions facilitated by CMS. With the agency's approval, the 10 states received up to 90 percent in federal matching funds to help implement systems. All 10 states reported that agency support, particularly training, helped them to implement systems needed to prevent and detect improper payments.

However, the effectiveness of the states' use of the systems for program integrity purposes is not known. CMS does not require states to measure or report quantifiable benefits achieved as a result of using the systems; accordingly, only 3 of the 10 selected states measured benefits. Without identifying and measuring such benefits (i.e., money saved or recovered) that result from using MMISs and other systems, CMS and the states cannot be assured of the systems' effectiveness in helping to prevent and detect improper payments. Moreover, without requiring states to institute approaches for measuring and reporting such outcomes, CMS officials lack an essential mechanism for ensuring that the federal financial assistance that states receive to help fund these systems effectively supports Medicaid program integrity efforts.

Five of the 10 states faced challenges with using systems for managed care program integrity–introduced by the content, quality, and definitions of data on services provided. However, 1 state had taken steps to overcome such challenges and had integrated data and implemented functionality needed to review managed care data both prior to and after payment. For its part, CMS had conducted training related specifically to collecting and analyzing these data to help prevent and detect improper payments in the Medicaid program.