

# GAO Highlights

Highlights of [GAO-16-402](#), a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

GAO has reported that Medicaid remains a high-risk program, partly due to concerns about improper payments. Screening of providers is important to help prevent improper payments. Under managed care, states contract with plans to provide services to beneficiaries.

GAO was asked to examine the screening of managed care providers. GAO examined (1) states' and plans' experiences using federal databases to screen providers; and (2) how states and plans share data about ineligible providers. GAO interviewed officials from 10 states, selected generally based on enrollment and geography, and representatives from 16 plans from among these states. GAO reviewed those states' Medicaid program websites and plan contracts, and relevant federal laws, regulations, and guidance; and interviewed officials from CMS and the Department of Health and Human Services' Office of Inspector General.

## What GAO Recommends

GAO recommends that CMS (1) consider additional databases used in screening, (2) collaborate with the Social Security Administration to improve access to the Death Master File, (3) coordinate with other agencies to develop a common identifier across databases, and (4) provide state Medicaid programs with guidance that establishes expectations and best practices on sharing provider screening data among states and plans. HHS concurred with our recommendations.

View [GAO-16-402](#). For more information, contact Carolyn L. Yocom at (202) 512-7114 or [yocomc@gao.gov](mailto:yocomc@gao.gov).

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## MEDICAID PROGRAM INTEGRITY

### Improved Guidance Needed to Better Support Efforts to Screen Managed Care Providers

## What GAO Found

GAO found that the selected states and Medicaid managed care plans face significant challenges in screening providers for eligibility to participate in the Medicaid program. Based on information we received from two selected states and 16 selected plans, GAO found that the states and plans used information that was fragmented across 22 databases managed by 15 different federal agencies to screen providers. These databases included databases that the Centers for Medicare & Medicaid Services (CMS) had not identified for use in screening providers. Officials from some states noted that these additional databases provided better assurance they would not enroll ineligible providers—i.e., providers who have been barred from participating in federal health care programs. Federal internal control standards stress the importance of collecting quality information to achieve objectives and assess risks. However, the variety of databases used for screening purposes beyond those identified by CMS, along with the current rate of improper payments to Medicaid providers, suggests that CMS might not have identified all reliable sources of information about ineligible providers that could help states and plans achieve program objectives. State officials and plan representatives also said that accessing and using fragmented information from multiple and disparate federal databases challenged their screening efforts. For example, they reported difficulties accessing certain databases, such as the Social Security Administration's Death Master File, and conducting and confirming identified provider matches across databases, particularly those not based on a unique national provider identifier. CMS has not coordinated with other agencies to address these challenges. Federal internal control standards state that agencies should use quality data that are complete, current, accurate, and accessible—and have a logical connection to the program—to achieve agency goals to reduce fraud. However, the difficulties states and plans experienced accessing databases and confirming matches could result in provider screening efforts that do not ensure that ineligible providers are accurately and consistently identified.

GAO also found that the selected states reviewed used inconsistent practices to make data on ineligible providers publicly available. States must ensure that none of their providers has been determined to be ineligible anywhere in the United States. Although CMS has issued guidance encouraging states to share data on ineligible providers through its Medicaid provider termination notification system, doing so is optional, not all states are using the list, and it is not available to Medicaid managed care plans. Moreover, CMS has not provided states with guidance on other ways to share their data on ineligible providers or how to access other states' data on ineligible providers. The 10 states GAO selected varied in how they shared data on ineligible providers. Plans are not required to make their own data on ineligible providers publicly available, and the 16 selected plans shared their data with states at differing intervals and, in rare cases, with other plans. The inconsistency with which this information is shared across states and plans creates the potential that providers could be ineligible in some states while still receiving payments from Medicaid in other states.