OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

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Medicaid Audit Unit—Annual Report

For the period March 2, 2022 through March 1, 2023

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OFFICE OF THE STATE AUDITOR
MEDICAID AUDIT UNIT

March 2, 2022 through March 1, 2023

Introduction

The Office of the State Auditor (OSA) receives an annual appropriation for the operation of a Medicaid Audit Unit (the Unit) for the purposes of preventing and identifying fraud, waste, and abuse in the MassHealth system and making recommendations for improved operations. The state's fiscal year 2023 budget (Chapter 126 of the Acts of 2022) requires that OSA submit a report to the House and Senate Committees on Ways and Means by no later than March 1, 2023 that includes (1) "all findings on activities and payments made through the MassHealth system;" (2) "to the extent available, a review of all post-audit efforts undertaken by MassHealth to recoup payments owed to the commonwealth due to identified fraud and abuse;" (3) "the responses of MassHealth to the most recent post-audit review survey, including the status of recoupment efforts;" and (4) "the unit's recommendations to enhance recoupment efforts."

For fiscal year 2023, the appropriation for the Unit was $1,358,812. This amount represents an approximately 3.5% increase over the Unit's fiscal year 2022 appropriation of $1,312,862. OSA submits all costs (direct and indirect) associated with running the Unit to the Executive Office of Health and Human Services (EOHHS) to be included in its quarterly filings with the Centers for Medicare & Medicaid Services for federal cost sharing. In federal fiscal year 2022, OSA submitted a total of $1,393,248 to EOHHS for consideration for the state's program integrity, allowing the state to obtain a 50%, or $696,624, reimbursement of these costs.

This report, which is being submitted by OSA in accordance with Chapter 126 of the Acts of 2022, provides summaries of the following three performance audits of MassHealth: telehealth services paid for by MassHealth, MassHealth's Continuity of Operations Plan, and the Delivery System Reform Incentive Payment Program.

It also provides summaries of audits conducted of two MassHealth dental providers.[1]

1. These five audits were conducted under the oversight of former State Auditor Suzanne M. Bump. Auditor DiZoglio took office on January 19, 2023.

This report details potential missed cost savings of $91,852,881 in the administration of telehealth services, as well as $4,591,628 in improper payments to dental providers for undocumented services. It also describes corrective actions MassHealth is taking in response to three audits issued at least six months ago for which follow-up surveys have been completed. MassHealth and the two MassHealth providers who were audited reported actions or planned actions on 13 (100%) of our 13 audit recommendations, which will improve operational efficiency and effectiveness.

Background

EOHHS administers the state's Medicaid program, known as MassHealth. This program provides access to healthcare services annually to approximately 2.3 million eligible low- and moderate-income children, families, seniors, and people with disabilities. In fiscal year 2022, MassHealth paid more than $19.8 billion to healthcare providers, of which approximately 35% was funds paid by the Commonwealth. Expenditures, including administration costs, for the Medicaid program represent approximately 32% of the Commonwealth's total annual budget.

Heightened concerns over the integrity of Medicaid expenditures were raised in January 2003, when the US Government Accountability Office (GAO) placed the US Medicaid program on its list of government programs that are at "high risk" of fraud, waste, abuse, and mismanagement. At that time, GAO estimated that between 3% and 10% of total healthcare costs were lost to fraudulent or abusive practices by unscrupulous healthcare providers. Based on these concerns, OSA began conducting audits of Medicaid-funded programs and, as part of its fiscal year 2007 budget proposal, submitted a request to establish a Medicaid Audit Unit within its Division of Audit Operations dedicated to detecting fraud, waste, and abuse in the MassHealth program. With the support of the Massachusetts Legislature and the Governor, this proposal was acted upon favorably and has continued to be funded in subsequent budgets. Since that time, OSA has maintained ongoing independent oversight of the MassHealth program and its contracted service providers. Audit reports issued by OSA have identified weaknesses in MassHealth's controls to prevent and detect fraud, waste, abuse, and mismanagement in the Massachusetts Medicaid program as well as improper claims for Medicaid services.

OSA uses data analytics in all audits conducted by the Unit. By so doing, our auditors can identify areas of high risk, isolate outlier providers, and in many cases perform reviews of 100% of the claims under audit, thus significantly improving the integrity, efficiency, and effectiveness of our audits. Moreover, in many cases, data analytics has enabled the Unit to fully quantify the financial effects of improper payments,

whether they involve 1 claim or 10 million claims. The use of data analytics techniques has enabled the Unit to: (1) identify greater cost recoveries and savings; (2) isolate weaknesses in MassHealth's claim-processing system, and; (3) make recommendations regarding MassHealth's system and program regulations to promote future cost savings, improve service delivery, and make government work better.

COMPLETED AUDITS
(MARCH 2, 2022 THROUGH MARCH 1, 2023)

During this reporting period, the Office of the State Auditor (OSA) released five audit reports on MassHealth's compliance with state and federal laws, regulations, and other applicable authoritative guidance. These reports identified $96,444,509 in improper payments for telehealth providers and two dental services providers. The reports also made a number of recommendations to strengthen internal controls and oversight in MassHealth's program administration. The following is a summary of our Medicaid audit work.

1. Office of Medicaid (MassHealth)—Review of Telehealth

Audit Number	2021-1374-3M2
Audit Period	January 1, 2020 through June 30, 2021
Issue Date	November 23, 2022
Number of Findings	1
Number of Recommendations	1
Total Improper Billings	$91,852,881
MassHealth Recouping Payments	N/A

Background and Reason for Audit

The purpose of this audit was to determine whether MassHealth monitored telehealth practices for behavioral health services to ensure compliance with its All Provider Bulletins 281, 289, 291, 298, 303, and 314.

Summary of Finding and Recommendation

OSA reported one finding in this audit:

1. MassHealth made payments totaling at least $91,852,881 to its providers for telehealth behavioral health services that were not properly documented.

OSA's recommendation to MassHealth was as follows:

1. MassHealth should train its providers, and establish monitoring controls, to ensure that telehealth services are documented in accordance with its All Provider Bulletins.

MassHealth's Comments[2]

MassHealth disagrees that it "made payments totaling at least $91,852,881 to its providers for telehealth behavioral health services that were not properly documented." The basis for the audit finding is language in MassHealth Bulletins 281, 289, 291, 303 and 314 that providers delivering services via telehealth "adhere to and document" certain best practices delineated in the bulletins. The OSA reads this language to require providers to "document" the listed best telehealth practices in the member's medical records. MassHealth disagrees with this interpretation of its Bulletins. The Bulletins do not require the best practices to be documented in the member medical records. Rather, the "Documentation and Record Keeping" section, which immediately follows the section cited by the OSA, specifies the information that is required to be noted in the member's medical record for a telehealth encounter.

As noted, as part of its review of the OSA's finding and its regular review of its telehealth guidance, MassHealth has recently issued a clarification to the "Requirements for Telehealth Encounters" section of its telehealth policy in its most recent Provider Bulletin, All Provider Bulletin 355, to clarify that providers are encouraged to document the delineated best practices in their written policies and procedures. MassHealth has also revised its "Documentation and Record Keeping" requirements to better align with industry practices and to minimize administrative burdens on providers.

Furthermore, MassHealth has robust program integrity processes in place to ensure that providers adhere to MassHealth requirements in the delivery of services. MassHealth reviews telehealth encounters in the same manner that it reviews in-person encounters, including medical record review, where appropriate. MassHealth is committed to continuing these important efforts to ensure the quality of services rendered to members and the integrity of the MassHealth program. . . .

MassHealth covers a robust array of medical, behavioral health, and other medically necessary services for members. Most MassHealth covered services have traditionally been provided in person, through face-to-face meetings between a member and a provider. Some services have long incorporated flexible delivery modalities, including delivery of services through audio or video technologies. These flexible delivery models enhance and expand the availability of services by allowing members to access services in a manner that more readily meets their needs. The delivery of healthcare services through audio or video technology is known as "telehealth." Telehealth is not a service itself, rather, it denotes a modality for the delivery of an otherwise covered service.

MassHealth issued its first official telehealth policy effective January 1, 2019, which allowed for the delivery of certain behavioral health services through telehealth modalities. At the time the bulletin was issued, the overwhelming majority of MassHealth service providers did not utilize telehealth modalities, preferring traditional face-to-face delivery of services. However, in March of 2020, the [2019 coronavirus, or COVID-19] pandemic required nearly all providers of community-based behavioral health services (and many other health care services) to immediately transition to telehealth modalities for the provision of care and to not interrupt existing clinical treatment. The outpatient behavioral health workforce was required to pivot immediately to almost exclusively

2. In its response to this finding, MassHealth excluded Bulletin 298. However, please note that OSA had included All Provider Bulletin 298 in its review, along with Bulletins 281, 289, 291, 303, and 314.

remote work. In some instances, this abrupt shift, necessitated by the COVID-19 emergency, came without the benefit of time for training or administrative and oversight support typical with the adoption of a novel care delivery modality.

As the public health emergency continued, the demand for behavioral health care increased rapidly, with unprecedented numbers of individuals requiring therapeutic intervention for behavioral health conditions. The crisis has been exacerbated by large numbers of staff and clinicians leaving the workforce. As a result, behavioral health providers have seen higher caseloads and more acuity of need among patients, all while managing staffing shortages and higher turnover.

As the full scope of clinical best practices and state and federal telehealth policy continue to evolve, providers have been working to adopt new policies, procedures, and practices to ensure member safety and privacy, while maintaining access to services for members in need. The workforce pressures faced by providers have presented challenges to investing administrative resources in staff training and other elements beyond pure service delivery.

Finally, industry standards relating to the delivery of services through telehealth modalities continue to develop and evolve. For example, in the spring of 2020 in Massachusetts, few, if any, electronic medical record software platforms included hard-coded fields to capture information regarding the delivery of services via telehealth. Since that time, however, commonly used platforms have started to include fields for providers to include information about telehealth encounters in medical records.

Additionally, as providers become more fluent in integrating telehealth modalities into their work flows, understandings of clinical best practices continue to evolve.

When MassHealth's initial telehealth policies were developed, there was limited industry adoption of telehealth modalities, and guidance for providers on best practices for delivery of services through this emerging modality in Massachusetts was scant. Since MassHealth telehealth policies were developed, MassHealth, like all healthcare payors and providers, has worked to keep abreast of and in step with industry updates and best practices. In response to this audit and as part of its efforts to keep its policies up to date with clinical and industry best practices, MassHealth has carefully reviewed its guidance regarding telehealth best practices with its clinical leadership at MassHealth's Office of Clinical Affairs and issued revised telehealth guidance on October 19, 2022, to update and clarify its expectations for telehealth encounters and record keeping requirements. As discussed, these changes respond to the OSA's findings and reflect updated best practices for services delivered via telehealth.

2. Office of Medicaid (MassHealth)—Review of Continuity of Operations Plan

Audit Number	2022-1374-3M4
Audit Period	January 1, 2020 through June 30, 2021
Issue Date	July 15, 2022
Number of Findings	2
Number of Recommendations	4
Total Improper Billings	N/A—Operational Issues Identified
MassHealth Recouping Payments	N/A

Background and Reason for Audit

The purpose of this audit was to determine whether MassHealth: (1) annually updated its continuity of operations plan (COOP) for its mission-critical information technology system, the Medicaid Management Information System (MMIS), and (2) updated its disaster recovery plan (DRP) and tested the DRP annually.

Summary of Findings

OSA reported two findings in this audit:

1. MassHealth did not annually update its COOP or conduct staff training or exercises related to the plan.
2. MassHealth did not annually update or test its DRP.

Summary of Recommendations

OSA's recommendations to MassHealth to address these issues were as follows:

1. MassHealth should establish monitoring controls to ensure that it properly adheres to the policies and procedures it has established for updating and testing its COOP.
2. MassHealth should work with the Executive Office of Health and Human Services to annually update its COOP and conduct staff training and exercises.
3. MassHealth should establish written policies and procedures for assigning, managing, and monitoring its DRP.
4. MassHealth should identify an offsite disaster recovery location to use for MMIS. Once the site has been selected, MassHealth should test the updated DRP and incorporate the results into it.

MassHealth's Comments

As noted during the course of the audit, MassHealth was in the process of updating its COOP in early 2020 but suspended its efforts and redirected staff efforts in response to the [2019 coronavirus] pandemic. At a time that required immediate reprioritization, MassHealth focused its efforts on successfully maintaining critical operations during this global pandemic.

MassHealth agrees with the OSA's recommendations listed above and has resumed its work to update the MassHealth COOP. MassHealth is also establishing monitoring controls to ensure adherence to COOP-related procedures.

MassHealth will finalize and publish the policies and procedures for the MMIS Disaster Recovery Plan (DRP) by the end of calendar year 2022. This will include steps to monitor and review the plan on an annual basis.

MassHealth is preparing to migrate to Amazon Web Services (AWS) for MMIS disaster recovery. Due to the complexity of the technology implementation, significant cyber security reviews, and the involvement of multiple agencies, this migration will take time but expects completion by Summer 2024. This migration will be done in close coordination with the Executive Office of Technology Services and Security (EOTSS), which is in the process of closing its Chelsea and Springfield data centers and migrating to AWS as part of its Cloud First strategy. When the migration is complete, MMIS will take advantage of DRP services available within AWS. The MMIS DRP will then be updated, tested, and integrated into the regular DRP monitoring schedule.

3. Office of Medicaid (MassHealth)—Massachusetts Delivery System Reform Incentive Payment Program

Audit Number	2021-1374-3M1
Audit Period	January 1, 2018 through December 31, 2020
Issue Date	June 29, 2022
Number of Findings	1
Number of Recommendations	1
Total Improper Billings	N/A—Operational Issues Identified
MassHealth Recouping Payments	N/A

Background and Reason for Audit

The purpose of this audit was to determine whether MassHealth administered Delivery System Reform Incentive Payment (DSRIP) Program payments in accordance with the DSRIP Protocol.

Summary of Finding and Recommendation

OSA reported one finding in this audit:

1. MassHealth did not ensure that accountable care organizations (ACOs) submitted their budget proposals before the beginning of the budget period.

OSA's recommendation to MassHealth was as follows:

1. MassHealth should establish monitoring activities to ensure that every ACO submits its budget proposal before the beginning of each budget period.

MassHealth's Comments

While MassHealth acknowledges that ACOs did not, in every case, submit budgets to MassHealth prior to the formal start of a given budget period, these cases were consistent with and contemplated by the DSRIP Protocol explicitly. Specifically, the DSRIP Protocol permits MassHealth to "work with ACOs who request additional time or fail to respond in a timely fashion to ensure prompt submission." (DSRIP Protocol Section 3.4.4.1.) In all cases cited by [the Office of the State Auditor, or OSA], MassHealth did in fact oversee the ACOs' development and submission of budgets, which were all successfully submitted in accordance with MassHealth directions and revised timelines, and approved. MassHealth therefore disagrees that any additional monitoring activities are needed. In addition, in response to OSA's statement that a delay in the submission of budgets could impact healthcare services provided to members, MassHealth wishes to clarify that DSRIP payments support activities such as ACO population health management and care coordination, rather than funding covered healthcare services for members.

MassHealth further clarifies that any submissions by ACOs following the beginning of the budget period were made in accordance with MassHealth-established deadlines. In all cases cited by OSA, MassHealth did in fact oversee the ACOs' development and submission of budgets, which were all successfully submitted in accordance with MassHealth directions and revised timelines, and approved. MassHealth therefore disagrees that any additional monitoring activities are needed.

Importantly, OSA acknowledges that it has not identified any discrepancies between approved ACO budgets and MassHealth payment disbursements. . . . The OSA's findings are based solely on matters of timing of approvals, with which MassHealth reiterates its strong disagreement, for the reasons set forth above and in MassHealth's original response.

4. Review of Claims Submitted by Dr. Melissa Hamilton

Audit Number	2022-1374-3M1
Audit Period	July 1, 2015 through December 31, 2020
Issue Date	May 26, 2022
Number of Findings	1
Number of Recommendations	2
Total Improper Billings	$2,063,481
MassHealth Recouping Payments	Yes

Background and Reason for Audit

The audit was initiated as the result of a referral from OSA's Bureau of Special Investigations (BSI).[3] BSI conducted data analytics of Dr. Hamilton's claims that identified potential improper payments.

Summary of Findings and Recommendations

OSA reported one finding in this audit:

1. Dr. Hamilton had inadequate documentation to support at least $2,063,481 in dental claims.

OSA's recommendations to Dr. Hamilton to address this issue were as follows:

1. Dr. Hamilton should collaborate with MassHealth to determine how much of the $2,063,481 in unallowable dental claims should be repaid.
2. Dr. Hamilton should establish policies and procedures to ensure that all claims are properly documented according to MassHealth regulations.

Dr. Hamilton's Comments[4]

Dr. Hamilton denies that there has been any overpayment or that repayment is indicated. Nonetheless, Dr. Hamilton always strives to improve, and without admitting the validity of the audit findings or conceding that any claims were improperly billed or inadequately supported, she has taken the following steps to maximize the completeness of charts and the accuracy of her billing:

- *Dr. Hamilton has begun using [speech-to-text software that] allows her to dictate directly into the record. This allows her to provide more detail for each note in an efficient manner.*
- *Each morning before reporting to the office, Dr. Hamilton logs in remotely to the scheduling system, and reviews the surgeries booked for the day in order to prepare her day, budget her time, and anticipate the documentation required for each case.*
- *At noon every day, the charts for the past 24 hours are personally reviewed for completeness by Dr. Hamilton. She checks her own work, as well as ancillary entries made by staff.*
- *At the end of each day, Dr. Hamilton checks the dictated notes for all patients and signs and finalizes. Once signed electronically, the entries are locked and cannot be edited.*
- *Start and stop times and vital signs from the monitor strips in each chart are now also separately recorded on the anesthesia record.*

3. BSI is charged with investigating potential fraudulent claims or wrongful receipt of payment or for services from public assistance programs.
4. Dr. Hamilton's legal counsel provided this written response, dated April 27, 2022, on her behalf.

Furthermore, Dr. Hamilton has retained the services of Affiliated Monitors to prepare a compliance package specifically tailored to oral surgery, and to the needs of her office. This compliance package is anticipated to include:

- *Development of additional standards regarding the content of patient treatment records*
- *Goal timelines for completion of patient treatment record entries*
- *Designation of which staff members are responsible for completion of particular record components*
- *Periodic self-auditing of randomly selected samples*
- *Staff training on the content and implementation of the compliance package.*

MassHealth's Comments

1. *MassHealth agrees with the OSA's first recommendation that Dr. Hamilton should collaborate with MassHealth as it determines the amount of overpayments due. Specifically, MassHealth will review the 131-claim sample that the OSA reviewed for this audit. Assuming MassHealth agrees with the OSA that these claims constitute overpayments based on violations of MassHealth regulations, MassHealth will recoup the overpayments which resulted from these claims and will also impose appropriate sanctions. However, while MassHealth is very concerned by the findings in the OSA's report, MassHealth does not believe it would be appropriate at this time to extrapolate an overpayment determination based on the OSA's 131-claim sample to every claim submitted by the provider over a five-year period and therefore does not presently agree with the OSA's finding that the provider had "inadequate documentation to support at least $2,063,481 in dental claims" or that such amount currently constitutes an overpayment. Therefore, MassHealth will conduct a broader review of the provider's claims. At that point, MassHealth will recoup additional overpayments, impose sanctions, and take other action against Dr. Hamilton as appropriate.*

2. *MassHealth agrees with the OSA's second recommendation that Dr. Hamilton should establish policies and procedures to ensure that all claims are properly documented according to MassHealth regulations and [American Dental Association] guidelines.*

5. Review of Claims Submitted by Dr. Nicholas Franco

Audit Number	2022-1374-3M2
Audit Period	July 1, 2015 through December 31, 2020
Issue Date	May 26, 2022
Number of Findings	1
Number of Recommendations	2
Total Improper Billings	$2,528,147
MassHealth Recouping Payments	Yes

Background and Reason for Audit

The audit was initiated as the result of a referral from OSA's BSI. BSI conducted data analytics of Dr. Franco's claims that identified potential improper payments.

Summary of Finding and Recommendations

OSA reported one finding in this audit:

1. Dr. Nicholas Franco did not have adequate documentation to support at least $2,528,147 in dental claims.

OSA's recommendations to Dr. Franco to address this issue were as follows:

1. Dr. Franco should collaborate with MassHealth to determine how much of the $2,528,147 in unallowable dental claims should be repaid.
2. Dr. Franco should establish policies and procedures to ensure that all claims are properly documented according to MassHealth regulations and American Dental Association (ADA) guidelines.

Dr. Franco's Comments: Implementation of Recommendation

We have just concluded a retrospective utilization and peer review audit performed by DentaQuest, LLC (Case Number: 05258417) that was initiated on March 16, 2021 . . . for the dates of service 08/01/2019 to 01/31/2021 which overlapped your audit period for five months (08/01/2019 to 12/31/20). They also concurred with your assessment of our record keeping and we have already taken steps to ensure that all claims are properly documented according to MassHealth regulations and American Dental Association guidelines which you also have addressed in your audit. Furthermore, MassHealth has already been paid back . . . in full the monies that they deemed appropriate that we owed after the audit of that time period, (08/01/2019 to 01/31/2021), in question.

MassHealth's Comments

1. *MassHealth agrees with the OSA's first recommendation that Dr. Franco should collaborate with MassHealth as it determines the amount of overpayments due. Specifically, MassHealth will review the 131-claim sample that the OSA reviewed for this audit. Assuming MassHealth agrees with the OSA that these claims constitute overpayments based on violations of MassHealth regulations, MassHealth will recoup the overpayments which resulted from these claims and will also impose appropriate sanctions. However, while MassHealth is very concerned by the findings of the [OSA's] report, MassHealth does not believe it would be appropriate at this time to extrapolate an overpayment determination based on the OSA's 131-claim sample to every claim submitted by the provider over a five-year period and therefore does not presently agree with the OSA's finding that the provider had "inadequate documentation to support at least $2,528,147 in dental claims" or that such amount currently constitutes an overpayment. Therefore, MassHealth will complete a broader review of the*

provider's claims. At that point, MassHealth will recoup additional overpayments, impose sanctions, and take other action against Dr. Franco as appropriate.

2. *MassHealth agrees with the OSA's second recommendation that Dr. Franco should establish policies and procedures to ensure that all claims are properly documented according to MassHealth regulations and [American Dental Association] guidelines.*

CURRENT INITIATIVES

During this reporting period, the Office of the State Auditor (OSA) began or continued work on three audits of MassHealth's administration of the Medicaid program and Medicaid service providers' compliance with state and federal laws, regulations, and other authoritative guidance. These audits were selected based on OSA's research and applied data analytics to identify areas of risk in the state's Medicaid program. Based on preliminary analysis and previous audit results, we anticipate that these audits may continue to identify improper payments and areas for improvement in MassHealth's administration of program services. When applicable, the audits will include recommendations to strengthen internal controls and oversight in MassHealth's program administration. In addition, we intend to initiate new Medicaid audits aligned with Auditor DiZoglio's social justice and equity audit plans. The following is a summary of our Medicaid audit work in process.

- OSA is working with the US Department of Health and Human Services Office of Inspector General (Boston office) on a review of improperly paid capitation payments[5] for MassHealth members with concurrent eligibility in another state for the period January 1, 2018 through September 30, 2021. OSA will determine whether MassHealth made capitation payments for Massachusetts Medicaid beneficiaries who lived and were enrolled in Medicaid in another state. As applicable, OSA will identify the reasons this occurred and make recommendations to resolve any issues.

- OSA will conduct a review of MassHealth's telehealth services for adult foster care for the period January 1, 2020 through December 31, 2021. This audit will determine whether MassHealth ensures the program integrity of its telehealth services, in accordance with federal and state requirements.

- OSA will conduct a review of MassHealth's telehealth services for adult day health for the period January 1, 2020 through December 31, 2021. This audit will determine whether MassHealth paid adult day health providers in accordance with its telehealth policies and state regulations. In addition, as part of this review OSA will work with the US Department of the Treasury on a review of capitation payments for MassHealth members who have been identified by the Department of the Treasury's Do Not Pay service as being deceased. OSA will identify the reasons why this has occurred and make the appropriate recommendations to MassHealth to resolve any issues.

5. Capitation payments are set payments to a managed care organization from MassHealth to provide healthcare for its members. These payments are paid monthly for each MassHealth member enrolled in the managed care organization.

AUDIT IMPACT AND POST-AUDIT EFFORTS

The objectives of the performance audits conducted by the Office of the State Auditor (OSA) at MassHealth and its providers are not only to identify improper payments for Medicaid services, but also to identify and resolve any systemic problems such as deficiencies in internal controls that may exist within the MassHealth system. Consequently, while measures such as referring cases to law enforcement for prosecution, recommending restitution, and taking other remedial actions against individual Medicaid vendors are typical results of OSA audits and serve as a deterrent, the systemic changes made by MassHealth as a result of OSA audits, in many instances, have a more significant effect on the overall efficiency and integrity of the operation of Medicaid-funded programs.

To assess the impact of our audits and the post-audit efforts made by auditees to address issues raised in our reports, OSA has implemented a post-audit review (PAR) survey process that is conducted six months after the release of an audit. This process documents the status of the recommendations made by OSA, including any corrective measures taken by the auditee, as well as any estimates of future cost savings resulting from changes made based on our recommendations.

During the reporting period, OSA issued, and agencies completed, three PAR surveys for Medicaid audits. This number reflects audits with findings issued at least six months ago for which follow-up surveys have been completed. The self-reported surveys are issued six months after an audit is issued to allow management time to plan and implement its corrective action(s). Because the voluntary surveys were sent to MassHealth six months after the audit ends, not all of the audits conducted from March 2, 2022 through March 1, 2023 are included in this section of the report, as those surveys have not yet been completed.

According to the survey results received, MassHealth and its providers reported that it has acted, or will act, on implementing the 13 recommendations. Summaries of the PAR surveys follow.

1. Audit of the Office of Medicaid (MassHealth)—Payments for Hospice-Related Services for Dual-Eligible Members

Audit No.	2020-1374-3M1
Issue Date	July 20, 2021
PAR Survey Date	January 31, 2022
Total Recommendations	9
Fully Implemented Recommendations	2
Recommendations in Progress	7
Fiscal Benefit	N/A

This audit was conducted in conjunction with the US Department of Health and Human Services Office of Inspector General and had the following findings:

1. MassHealth did not ensure that it had accurate information in its Medicaid Management Information System (MMIS) about dual-eligible members who received hospice services.
2. MassHealth paid for professional services that were not coordinated by hospice providers.
3. MassHealth paid for durable medical equipment that should have been included in the members' plans of care.
4. MassHealth unnecessarily paid for ambulance and inpatient services for dual-eligible members.

In its response to the PAR survey, MassHealth indicated that the following two of OSA's nine recommendations were fully implemented:

1. MassHealth should review MMIS for all members who have elected the hospice benefit to ensure that their MassHealth Hospice Election Forms are accurately reflected in MMIS.
2. MassHealth should ensure that information in MMIS about hospice election by dual-eligible members is accurate.

In addition, MassHealth had the following responses to the 7 recommendations still in progress:

1. MassHealth should establish an effective monitoring process to ensure that hospice providers send MassHealth the MassHealth Hospice Election Form for every dual-eligible member who chooses to receive hospice services.
2. MassHealth should consider collaborating with the Centers for Medicare & Medicaid Services (CMS) to obtain CMS's hospice election information about dual-eligible members and determine whether all MassHealth's hospice providers have submitted the required MassHealth Hospice Election Forms.

In its PAR survey, MassHealth stated the following:

> *[The Executive Office of Health and Human Services, or EOHHS] has taken the following actions in response to this recommendation: (a) EOHHS issued administrative sanctions to all MassHealth-enrolled hospice providers identified in the OSA's report as failing to have had a dually-eligible member simultaneously elect their Medicare and MassHealth hospice benefits. EOHHS is currently in the process of issuing final notices of these administrative sanctions for any providers whose disputes do not contain the correct documentation. (b) EOHHS identified additional instances of non-compliance for dates of service after the OSA audit findings. EOHHS is finalizing administrative sanction notices for these additional MassHealth-enrolled hospice providers who failed to have a dually-eligible member simultaneously elect their Medicare and MassHealth hospice benefits. (c) EOHHS is developing a process for identifying dual-eligible members who have elected their Medicare hospice benefit but not their MassHealth hospice benefit. Once implemented, EOHHS will be able to proactively identify dual-eligible members who have elected only their Medicare hospice benefit and take appropriate action. We anticipate this process going live at the beginning of [fiscal year 2023].*

3. MassHealth should ensure that its hospice providers coordinate professional services with non-hospice providers for dual-eligible members to ensure proper service coordination and billing.

   In its PAR survey, MassHealth stated the following:

   > *EOHHS has reminded MassHealth enrolled hospice providers of their responsibilities when serving dual-eligible members during monthly provider stakeholder meetings, through provider bulletins, and in other forms of communications to the provider network, such as through mass emailings and other messaging systems used by MassHealth. Specifically, MassHelath issued reminders to hospice providers of their responsibilities when serving dual-eligible members in hospice provider bulletins 15, 21, and 24. In January 2022, EOHHS issued proposed amendments to its MassHealth hospice provider program regulations, which further clarify MassHealth hospice providers' responsibilities when serving dual-eligible members and coordinating member services.*

4. MassHealth should update its system edits in MMIS to detect and deny claims for dual-eligible members in hospice care that might be duplicative of services that should be paid for by hospice providers.

   In its PAR survey, MassHealth stated the following:

   > *EOHHS is currently working with MMIS to review and evaluate the effectiveness of the current edits which monitor MassHealth services provided to members after they have elected MassHealth hospice. If EOHHS identifies opportunities to enhance the MMIS system to improve the application of the system's current edits the agency will work to implement these edits.*

5. MassHealth should ensure that the system edits in MMIS for claims for hospice services for dual-eligible members are effective in detecting and rejecting improper claims.

   In its PAR survey, MassHealth stated the following:

   > *The current MMIS edits are effective in detecting and rejecting improper claims for MassHealth hospice services. When MassHealth receives notification of a dual-eligible member's hospice election, this information is entered into MMIS and MMIS will reject improper claims for MassHealth hospice services if there is no MassHealth hospice election present. Proactively, EOHHS is also finalizing a process, estimated to be completed by early FY23, for identifying dual-eligible members who have elected their Medicare hospice benefit but not their MassHealth hospice benefit. Once finalized, MassHealth will also be able to detect these occurrences and take appropriate action.*

6. MassHealth should ensure that its hospice providers explain to its members and their families that the members and families are required to inform any non-hospice providers that the members have elected the hospice benefit to ensure service coordination and billing.

   In its PAR survey, MassHealth stated the following:

   > *In January 2022, EOHHS submitted proposed amendments to the MassHealth hospice provider program regulations, which included clarifying language on a MassHealth hospice provider's responsibilities when serving dual-eligible members. Further, in August 2021, EOHHS issued Hospice Provider Bulletin 21, which, among other things, described the MassHealth hospice election requirements. Those requirements included provider responsibilities to inform the member that by electing MassHealth Hospice they are waiving certain MassHealth services for the duration of the hospice election.*

7. MassHealth should ensure that the system edits in MMIS for claims for hospice services for dual-eligible members are effective in detecting and denying improper claims.

   MassHealth stated in its PAR survey to refer to the responses to Findings 1 and 3 regarding the above recommendation.

2. Audit of the Office of Medicaid (MassHealth)—Review of Claims Submitted by Dr. Nicholas Franco

Audit No.	2022-1374-3M2
Issue Date	May 26, 2022
PAR Survey Date	November 30, 2022
Total Recommendations	2
Fully Implemented Recommendations	2
Recommendations in Progress	N/A
Fiscal Benefit	N/A

The finding from the audit of a review of claims submitted by Dr. Nicholas Franco found that Dr. Franco had inadequate documentation to support at least $2,528,147 in dental claims.

MassHealth partially agreed with our recommendations in the audit report, while Dr. Franco fully agreed. In the PAR survey, Dr. Franco stated that he had fully implemented both recommendations.

3. Audit of the Office of Medicaid (MassHealth)—Review of Claims Submitted by Dr. Melissa Hamilton

Audit No.	2022-1374-3M1
Issue Date	May 26, 2022
PAR Survey Date	November 30, 2022
Total Recommendations	2
Fully Implemented Recommendations	1
Recommendations in Progress	1
Fiscal Benefit	N/A

The finding from the audit of a review of claims submitted Dr. Melissa Hamilton found that Dr. Hamilton had inadequate documentation to support as least $2,063,481 in dental claims.

MassHealth partially agreed with our recommendations in the audit report. In the PAR survey, Dr. Hamilton indicated that she disagrees with the finding. However, it appears Dr. Hamilton fully implemented our recommendation that she should collaborate with MassHealth to determine how much of the $2,063,481 in unallowable dental claims should be repaid.

Based on Dr. Hamilton's response below she fully implemented OSA's recommendation and worked with MassHealth to determine how much she should repay, "MassHealth recouped a lesser amount in September, 2022."

In addition, Dr. Hamilton indicated in the PAR survey that she is making progress implementing OSA's second recommendation: Dr. Hamilton should establish policies and procedures to ensure that all claims are properly documented according to MassHealth regulations.