

SB 12 - Maryland Office of the Inspector General f

Uploaded by: Antoine, Joanne

Position: FAV

January 21, 2021

Testimony on SB 12
Maryland Office of the Inspector General for Health
Finance

Position: Favorable

Common Cause Maryland is in support of SB 12 which would create the Maryland Office of the Inspector General (OIG) for Health, an independent unit of the state charged with keeping track of the Health Departments activities, investigating fraud and waste of certain funds, regulatory changes, and various other tasks.

Currently, the Maryland Department of Health has an Inspector General in its Department. However, this bill will make the OIG an independent unit. This change makes the investigative process more nonpartial and objective.

The inspector general of any agency is charged with finding and investigating fraud, waste, and abuse of the system. The office is designed to act as an impartial arbiter of the facts, existing outside traditional chain of command and above internal power struggles that exist in any bureau, agency, or office setting. The concern for the Maryland Health Department is that because it's OIG is inhouse, the OIG may be too familiarly acquainted with the people of the department. Familiarity can lead to bias. By creating an independent office, SB 12 will ensure is that the OIG for the Maryland Health Department is not biased or partial in its decision making the office independent.

Additionally, this legislation requires an annual report by the Office's activities investigating fraud and waste of certain funds, referrals to the Medicaid Fraud Control Unit, recoveries of mistaken claims paid in error, recoveries of the cost of benefits mistakenly paid, and regulatory changes. This requirement will help hold the department accountable to best practices, as well as, providing transparency for Marylanders.

Because we strongly believe that government needs real accountability to run fairly, we support SB 12 and urge a favorable report.

SB0012 Written Testimony.pdf

Uploaded by: Chapman, Bailey

Position: FAV



MARYLAND CITIZENS' HEALTH INITIATIVE

TESTIMONY IN SUPPORT OF SENATE BILL 12

Maryland Office of the Inspector General for Health

Before the Senate Finance Committee

By Bailey Chapman, Social Work Intern, Maryland Citizens' Health Initiative, Inc.

2600 St. Paul St. Baltimore, MD 21218

January 21, 2021

Madam Chair and Members of the Finance Committee, thank you for this opportunity to testify in support of Senate Bill 12, which would establish an Office of the Inspector General for Health as a weapon against waste, fraud and abuse in the health care industry.

Every dollar wasted in the provision of health care is a dollar that cannot be spent on providing health care to those that need it. In other segments of government, inspectors general have been very successful in discovering instances of waste, fraud, and abuse, that have saved substantial sums of funds.

Please give Senate Bill 12 a favorable report to help move our state further toward ensuring quality, affordable health care for all Marylanders.

SB0012_FAV_Hettleman.pdf

Uploaded by: Dunnigan, Maura

Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN

SB 12 – MARYLAND OFFICE OF THE INSPECTOR GENERAL FOR HEALTH

This is a bill about transparency and good government. It's about following best practices in ensuring that public funds are used for the purposes they are intended and are spent wisely, effectively, efficiently – and legally.

Creating an independent Office of the Inspector General for Health, jointly appointed by the Governor, Attorney General, and State Treasurer, subject to the advice and consent of the Senate, is consistent with the approach we took in creating an Office of Inspector General for Education, appointed last year.

Our spending on health is nearly one-third of our entire state budget. Literally billions of dollars are expended involving countless payments to hospitals, vendors, contractors, individuals, etc. And, while we have a regular system, through the Joint Audit and Evaluation Committee, to shine a light on the workings of the Department, they do not have the resources to be able to focus on the day-to-day workings of such a large entity. There is an Office of Inspector General internal to the Health Department but we believe this office and its responsibilities need to be elevated, made more independent and should report to the legislature as well as the executive branch.

This committee voted out this exact bill 11-0 last year, where it died on the floor before getting to Third Reader. The House version of the bill passed 130-3.

Transparency and accountability continue to be watchwords of the General Assembly and we believe this bill is consistent with this important message. Respectfully, I ask for your support of SB12.

Legislative Testimony SB12.pdf

Uploaded by: Elliott, Richard DeShay

Position: FAV

Legislative Testimony:
SB12

I support Senate Bill 12 to establish the Maryland Office of the Inspector General for Health.

**RICHARD
ELLIOTT**
FOR MARYLAND

By Authority: Rich Elliott For Maryland Keanuu Smith-Brown, Campaign Chair Christian Hillian, Treasurer

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Uploaded by: Bennardi, Maryland Department of Health /Office of Governmen

Position: UNF



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Acting Secretary

January 21, 2021

The Honorable Delores G. Kelley, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB 12 – Maryland Office of Inspector General for Health – Letter of Concern

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of concern on Senate Bill 12 - Maryland Office of Inspector General for Health for the Committee's consideration.

Passage of SB12 will:

- Reduce the ability of the Office of the Inspector General to act as an internal control agency and to ensure that key oversight and compliance actions are taken, and not just maintain audit functions.
- Eliminate the ability of the Medicaid Fraud Control Unit to prevent fraud within the Medicaid program.
- Create duplication as we will have to rebuild functions and personnel in the above roles and by the Office of the Inspector General and the Office of Legislative Audits.
- Reduce the ability to ensure legislative audits are resolved and repeat findings do not occur.

As stated in the Fiscal Note, the Office of Inspector General would require at a minimum three additional PINs: an HR director, an IT director, and an Editor. Each of these three positions would ensure that the OIG is able to independently attest to HR matters and complaints, cybersecurity and system connections, and external communications as is often required by auditors and expected of an independent organization. The MDH would support those positions through the shared services mentioned in SB 12, but under the supervisions of these three PINs. Additionally, the MDH respectfully disagrees with the Fiscal Note's conclusion that this staffing would be budget neutral as the approximately \$200,000 in annual cost would be to the detriment of other MDH programs in a budget transfer.

The MDH considers transparency and oversight to be a critical part of the MDH's operations, and the Office of Inspector General staff members are the Department's subject matter experts on those issues. The MDH believes that this arrangement is essential to monitoring our programs and funding to external parties, internal monitoring/operations, and corporate compliance. The importance of this integration is not readily apparent as SB12 focuses exclusively on the external aspects of investigating fraud, waste, and abuse in funded programs.

During the COVID-19 response for example, the Office of Inspector General played a key oversight and compliance role in Maryland's nursing home response. While the Office of Health Care Quality has oversight of nursing home standards, their role as designee for the Centers for Medicare and Medicaid Services restricted them from providing guidance and review to nursing homes and other units of State and Local government. The Office of Inspector General, with their subject matter expertise on compliance and records review, played a critical role in collecting and reviewing nursing home rosters for universal employee testing, ensuring that nursing homes reported results into CRISP, validated Personal Protective Equipment requirements, and notifying Local Health Departments if nursing home staffing became critically low. The Office of Inspector General was able to increase compliance reporting rates from the mid-60% to over 90% in most areas. As part of the MDH, the Office of Inspector General got involved quickly and integrated with other Departmental functions to protect the health and safety of Maryland nursing home residents. For more details, please see the attached annual report.

The MDH's Office of Inspector General not only ensures that funds are spent appropriately or are recovered if necessary, they also identify operational improvements and ensure compliance with other functions such as Secondary Employment, Conflicts of Interest, and Health Insurance Portability and Accountability Act (HIPAA). These functions, while not as direct as recipient or program fraud, waste, or abuse, are critical to ensuring that MDH programs are efficiently and effectively delivering the services to Marylanders that are funded by state and federal sources. By assisting the MDH to determine and implement internal controls, whether it is to make sure that a unit has completed their Secondary Employment forms or recommending improved processes at the request of units, the Office of Inspector General built credibility and a working relationship with many units of the Department. As an external entity under SB12, the MDH would have difficulty relying on that input and advice prior to an audit to promote better outcomes for our programs.

Many of the functions detailed in SB 12 have independent oversight and auditing by the Maryland's Office of Legislative Audits and the Federal Agencies that fund these programs. Creating an independent yet connected entity reduces efficiency and effectiveness without providing additional benefit to the State or its programs. Unlike other proposed Offices of Inspector General where there is no Inspector General, the Maryland Department of Health's Office of Inspector General is an established and functioning element of the Department.

The MDH recognizes the importance of annual reporting, and has included a copy of the Office's 2020 Annual Report.

I hope this information is useful. If you would like to discuss this further, please do not hesitate to contact me at webster.ye@maryland.gov / (410) 260-3190 or Heather Shek, Deputy Director of Governmental Affairs at heather.shek@maryland.gov and at the same number.

Sincerely,



Webster Ye
Assistant Secretary

Attachment: Office of Inspector General 2020 Annual Report

Maryland Department of Health Office of the Inspector General



Annual Report Fiscal Year 2020

Contents

FY2020 Highlights	3
Our mission	4
Letter from the Inspector General	5
OIG Administration	6
Office and Budget	6
Organization	7
Outreach	8
Professional Development	8
Audit Coordination and Compliance Highlights	9
Nursing Home Initiative	10
External Audits	12
Internal Audits	13
Corporate Compliance & Privacy	14
Support and Coordination	16
Program Integrity Highlights	17
Provider Review	18
Recipient Fraud Unit	19
Data Analytics/Clinical Unit	20
Hospital Audits	20
Pharmacy Audits	20
Strategic Objectives	21



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Office of the Inspector General

FY2020 HIGHLIGHTS

- \$32M** in settlements derived from 17 investigations and cases filed under the False Health Claims Act¹ See pg. 18
- \$4.3M** identified in grant funds to be returned to the Maryland Department of Health (MDH) based on 38 audits of local health departments and private providers
- \$4M** identified in potentially fraudulent pharmacy claims necessitating further investigation
- \$1.8M** identified to be put to better use based on 9 special reviews of MDH programs and processes resulting in internal control improvements
- \$1.4M** identified in recoveries from individuals improperly seeking Medicaid benefits and referred to the Division of Recoveries and Financial Services (DRAFS)
- 512** Hotline complaints received via the Office of the Inspector General (OIG) website, phone, email, and walk-ins
- 72** compliance investigations, resulting in administrative corrective actions and/or referrals for regulatory action or criminal prosecution(s)
- 19** cases prosecuted against individuals alleged to have applied for and obtained Medicaid benefits improperly

Our mission

To detect and deter fraud, waste, abuse, and misconduct in MDH programs and operations, and to promote economy and efficiency across the agency

What we do

- Audit MDH programs and operations to help ensure the appropriate and efficient use of State and federal funds
- Audit health care providers, including local health departments, receiving Departmental grant funds
- Investigate allegations and indicators of fraud, waste, or abuse committed by Medicaid providers and recipients
- Investigate allegations of MDH employee misconduct
- Ensure compliance with State and federal regulations regarding integrity and ethics within MDH programs
- Serve as liaison between MDH and external audit organizations, including the Office of Legislative Audits (OLA)
- Oversee reviews of human subject testing
- Coordinate and advise MDH regarding privacy and the Health Insurance Portability and Accountability Act (HIPAA)



The Office of the Inspector General is an independent unit within the Maryland Department of Health made up of auditors, investigators, compliance officers, data analysts and career professionals dedicated to its mission and serving all Marylanders.

Letter from the Inspector General

I am pleased to present the Office of the Inspector General's (OIG) annual report detailing our efforts during FY2020.

Since its creation in 1999 and formal approval by the Maryland General Assembly in 2006, the MDH OIG has served Maryland by independently conducting investigations into fraud, waste, and abuse of federal and state funds; making recommendations intended to enhance the integrity and efficiency of MDH programs and operations; and referring potential criminal acts to our partner law enforcement agencies. Our current OIG leadership team assumed responsibility of these duties in January 2018; we are both proud of the legacy we inherited and committed to continual innovation and improvement.



Fred Doggett
Inspector General

The OIG has, in essence, two key roles.

Our Audit Coordination and Compliance division reviews MDH programs and operations, often at the request of MDH leadership, and follows up on findings and recommendations made by our colleagues at the Office of Legislative Audits and the U.S. Department of Health and Human Services. This division also investigates allegations of employee misconduct; provides executive direction for the oversight of medical research protocols involving human subjects; and audits, on a risk-driven cyclical basis, nearly \$500 million in annual MDH grants to Maryland's 24 local health departments and dozens of private health care providers. In 2020, the audit and compliance division identified more than \$4 million in funds to be returned to MDH and an additional \$2 million that could be put to better use.

Our Program Integrity division investigates allegations and indicators of Medicaid fraud. Maryland Medicaid is a nearly \$12 billion federal-state partnership that provides essential health care coverage to a historic high of nearly 1.5 million Maryland citizens through a network of more than 78,000 providers and nine managed care organizations. On the basis of referrals, tips, and in-house data analytics, the Program Integrity division initiated about 100 new investigations in 2020. Settlements on some of these cases, as well as others initiated in prior periods, netted \$32 million to be returned to the general fund during the fiscal year.

These noteworthy accomplishments notwithstanding, I am particularly proud of the OIG's response to unique challenges posed by the COVID-19 pandemic. In April, the MDH Secretary tasked the OIG with establishing processes, protocols, and data architecture for helping to ensure that Maryland's 227 nursing homes complied with emergency statewide orders. Those orders established specific requirements for the testing of nursing home patients and staff; reporting of infection rates; and identification of shortages of staffing and personal protective equipment. The OIG responded immediately with a team that within a very short timeframe accomplished these objectives. That team has now evolved into a standing unit that will monitor these and other compliance issues in all congregate living environments throughout Maryland for the duration of the state of emergency.

As we enter Fiscal Year 2021, I look forward to working with MDH leadership and our many partners and stakeholders as we continue to pursue efficiency and integrity on behalf of MDH and the citizens of Maryland. Our strategic objectives, outlined in this report, underscore our intent to further enable our staff, through targeted training and technology deployment. In doing so, our goal is to maximize Maryland taxpayers' return on their investment, and their trust, in the MDH OIG.

OIG Administration



Sha Brown
Assistant Inspector General -
Audits and Compliance



Jennifer Forsythe
Assistant Inspector General -
Program Integrity



Simone Chambers
Director of Operations

Office and Budget

In 2020 the OIG had 64 authorized positions, including 36 Program Integrity positions that receive 50 percent funding from the federal government. The remaining 29 positions comprise our state-funded Audit and Compliance staff and our administrative staff.

The OIG's 2020 budget totaled \$6.7 million. Salaries and related costs account for 60 percent of this amount. Technology, training, and in-State travel account for most of the rest.

Like many other State agencies, the OIG faces critical staff shortages. In late 2019 through the first half of calendar 2020, retirements and other routine attrition created about 12 vacancies. Due to budget concerns resulting from the pandemic, the OIG has been unable to fill these vacancies. Because of the federal match for the Program Integrity positions and the fact that the vast majority of OIG positions are revenue positive to the State, vacancies result in a negative multiplier effect. The OIG is working with MDH and the Department of Budget and Management to try to fill at least some of the critical vacancies.



Outreach

In September 2019, the OIG participated in the state's Annual Day to Serve community service initiative. Staff packaged 523 meals for Moveable Feast, a nonprofit organization based in Baltimore which provides food and services to individuals suffering from HIV/AIDS, breast cancer, and those afflicted with terminal illness.

Professional Development

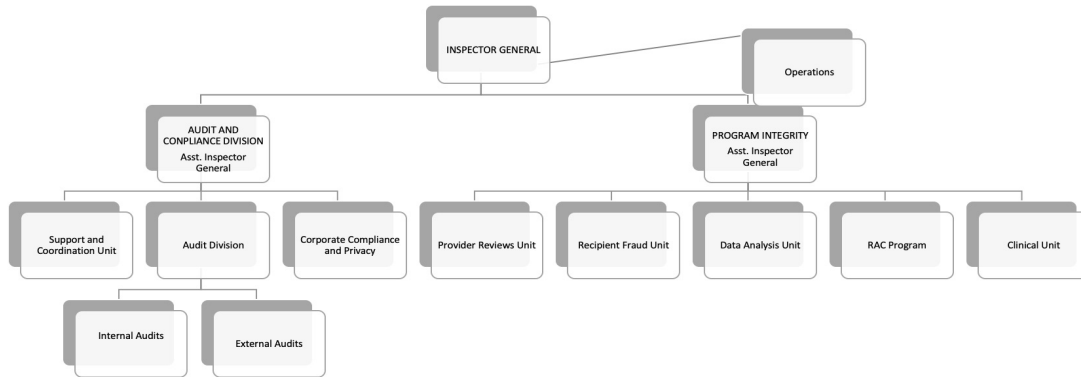
Our commitment to training staff to improve their expertise continued in FY2020 with employees participating in a wide variety of training sessions, both on site and at off-site conferences. These trainings have added advanced Medicaid fraud investigative skills, Yellow Book auditor credentials and knowledge, and an increase in Excel data mining skills.

Recruitment

Every year, MDH hosts a career fair to attract new candidates. OIG staff operates a booth to engage prospective employees and educate visitors about OIG's mission and initiatives. In FY2020, the career fair was held virtually.



Organization



The MDH Office of Inspector General comprises two divisions: Audit Coordination and Compliance, and Program Integrity.

Audit Coordination and Compliance is responsible for performing routine compliance audits of internal programs, routine compliance audits of providers receiving MDH funds, for-cause audits/investigations for MDH employees; and for-cause audits/investigations of providers receiving departmental funding. This division includes the Institutional Review Board (IRB); Internal Audit Unit; External Audit Unit; and Corporate Compliance Unit.

Program Integrity is responsible for detecting and investigating instances or allegations of waste, fraud, and abuse within the Medicaid program. This division includes the Recovery Audit Contract (RAC) Unit; Provider Reviews Unit; Recipient Fraud Unit, Data Analysis Unit; and Clinical Unit.

A Legacy of Working Together

Under the authority of sections 1902(a)(4), 1903(i)(2), and 1909 of the Social Security Act, each state is required to identify, investigate, and refer cases of suspected fraud and abuse involving Medicaid funds. In response to that requirement, in 1999 the State of Maryland created the OIG pursuant to Maryland Code, Health General 2-502, with the Maryland General Assembly formally approving the OIG in 2006. Under Health General 2-503, the OIG is charged with the responsibility of investigating fraud, waste, and abuse of departmental funds. Within the OIG, these responsibilities are assigned to the Program Integrity Division.

AUDIT COORDINATION AND COMPLIANCE

Highlights from FY2020

Nursing Home Initiative



The State of
Maryland
maintains
227 nursing
home
facilities

In response to an executive order from the MDH Secretary, the OIG created new processes, protocols, and data architecture, and assembled a dedicated unit to help ensure Maryland's nursing homes and congregate living environments comply with emergency statewide orders. This initiative was a multifaceted effort that involved creating new requirements for the testing of nursing home patients and staff, reporting of infection rates, and identification of shortages of staffing and personal-protective equipment.

Communication and Coordination

The OIG assigned a Compliance Analyst to every nursing home in Maryland for the purpose of establishing one-on-one communication with each nursing home administration and ensuring seamless coordination with implementation of the provision within the executive order. Our office quickly and effectively gathered the emergency contact information from each nursing home administration necessary to ensure 24/7 communication with each nursing home during the pandemic. We developed an internet cloud-based system to maintain critical data on each nursing home and made that information available for other members of the Task Force. The newly created system has information on all 227 nursing home facilities including emergency contact

information, resident and staff census data, up-to-date COVID-19 infection counts by facility, and pre-pandemic risk assessment information. Using this system, Task Force members were able to expedite requests and distribute critical testing supplies in a more efficient manner.

CRISP Reporting Compliance

The OIG made contact with each nursing home administration and provided detailed information on the Chesapeake Regional Information System for our Patients (CRISP) reporting requirements. The information campaign improved compliance rates from approximately 50 percent to more than 90 percent ensuring up-to-date, self-reported, COVID-19 infection information could be

effectively communicated from the nursing homes to all stakeholders through CRISP.

Nursing Home Staffing Compliance and CRISP

In response to reports from nursing homes provided through CRISP, OIG clinical staff conduct assessments of critical staff shortages and made recommendations to Health Officers in each jurisdiction for the deployment of Bridge Teams to ensure staff shortages were addressed during the pandemic and compliance with Code of Maryland Regulations (COMAR) was maintained. Additionally, OIG clinical staff provided detailed information on use of CRISP to maintain staffing levels when infection rates among staff members cause critical shortages.

Personal Protective Equipment (PPE) Compliance

In response to reports from nursing homes provided through CRISP, OIG staff conducted assessments of critical PPE shortages and made recommendations to MDH's PPE Team and Health Officers in each jurisdiction for the emergency deployment of PPE. Since implementation of OIG's procedures including these assessments, the rate nursing homes have been reporting shortages of PPE fell from 33 percent to less than 5 percent.

Universal Testing Compliance

Per the executive order, universal testing of all nursing home residents and staff was required. The OIG initiated a request to all 227 nursing home facilities for rosters containing personal identifying information for each resident and



staff member, and developed a secure cloud-based system to maintain the roster information. Using this information, the Maryland National Guard efficiently distributed more than 52,000 COVID-19 testing kits and completed distribution of testing kits to all of Maryland's nursing homes. Our office reconciled rosters and testing results for more than 59,000 staff and residents within the nursing homes. This information was valuable for confirming universal testing compliance and infection rates in all the facilities. We plan to maintain this data in our cloud-based system for future monitoring of testing and infection rates among nursing home residents and effective contact tracing of nursing home staff.

External Audits

Conducts audits of vendors and local health departments receiving grant funding from MDH

Key Accomplishments

- Completed 33 audits of local health departments and providers
- Examined 1,297 grants totaling over \$466 million
- Identified a total of \$4.3 million to be returned to MDH
- Made 311 recommendations to improve internal controls and the operational efficiency of MDH
- Followed up on 22 prior audits

Audit Planning

Each fiscal year, the Audit Division updates its Four-Year Audit Plan, which is its primary planning vehicle. The audit plan is based on the OIG Policy for Audits of Human Services Primary Providers. While that policy refers to audits of providers, the Audit Division uses a four-year planning model for all audits.

The planning process begins in April and culminates before the start of the fiscal year with the publication of the four-year plan. During the fiscal year, the Audit Division may make adjustments to its planned audits in response to unanticipated issues or to respond to requests that require timely attention. The Chief of the Division of Internal and External Audits is responsible for overseeing the planning process and submitting the Four-Year Audit Plan to the Assistant Inspector General for Audits and Compliance (AIGA).

Internal Audits

- Performs periodic examinations and follow-up reviews of the accounts, records, procedures, and policies of MDH administrations, and facilities
- Helps to prepare other MDH units for legislative audits by ensuring that MDH administrations have implemented corrective actions sufficient to resolve previously cited audit findings and reviews problem areas to prevent future audit deficiencies

Key Accomplishments

- Follow-up reviews on 89 OLA recommendations (compared to 49 in FY19)
- Conducted 9 special reviews and identified \$1.8 million due to MDH as a result of MDH programs' noncompliance

Corporate Compliance and Privacy

Conducts annual investigations into HIPAA/Privacy, MDH Employee Misconduct, and Financial Fraud

Key Accomplishments

Conducted 72 investigations in FY2020

- 45 HIPAA Breach investigations
- 8 Financial Fraud, Waste, and Abuse Investigations
- 17 employee misconduct investigations
- 2 conflict of interest investigations

Referred 16 investigations

- 2 Referrals to Governor's legal counsel and AG's criminal division
- 7 referrals to U.S. Department of Health and Human Services per HIPAA
- 6 Referrals to MDH Office of Human Resources
- 1 Referral to Maryland State Ethics Commission

The Corporate Compliance and Privacy Office assures the Department complies with the Code of Conduct, Corporate Compliance policies, privacy policies, and the Health Insurance Portability and Accountability Act (HIPAA).

The division provides Corporate Compliance and HIPAA privacy training and investigates suspected misconduct, fraud, waste, and privacy violations by MDH employees. In addition, this division seeks to ensure that MDH employees comply with ethical standards of conduct.

The division serves as a liaison to the State Ethics Commission in filing Financial Disclosure Statements and addresses conflicts of interest.

Secondary Employment Disclosure

As required by Maryland Health-General Article, § 2-103(b)(6), Maryland Department of Health (MDH) employees, Grade 18 and above, who administer or direct a program, are required to file a Secondary Employment and Compensation Disclosure Form. These employees include those in Executive Service, Management Service and Special Appointment Service. Disclosing secondary employment assists the Office of the Inspector General (OIG) in ensuring that outside employment held by MDH employees does not create a conflict of interest or impair the impartiality and independence of judgment of the employee.

In FY2020, MDH

- Reviewed 515 secondary employment disclosures of MDH employees who hold outside jobs
- Continued fully automated secondary employment disclosure process started in November 2017
- Identified 14 MDH employees with potential conflicts of interest. Provided a means through collaboration with the Maryland State Ethics Commission for employees to seek exemptions from the SEC and maintain their secondary jobs throughout the process.
- Identified employees with conflicts of interest and provided information to resolve the conflicts and bring MDH into compliance with state law

Employee Financial Disclosures

Under the provisions of the Public Ethics Law, certain employees are designated as “public officials” and are required to file an annual Financial Disclosure Statement (Statement) with the Commission. These public officials are also known as Financial Disclosure Filers [Filer(s)]. As a general rule, the criteria for this designation varies by branch of government and takes into consideration a variety of factors, primarily the employee’s salary and specific duties. The OIG’s Division of Corporate Compliance and Privacy coordinates the review and processing of the Department’s Financial Disclosure Statements with the Maryland State Ethics Commission and the Office of Human Resources (OHR).

- In FY2020, OIG collaborated with Maryland State Ethics Commission and MDH Office of Human Resources to ensure that 580 MDH employees required to file financial disclosures did so.

Hotline Complaints

The OIG collected 512 complaints via hotline, telephone, emails, and walk-ins in the following categories:

- 346 reported fraud by a Medicaid recipient
- 51 reported fraud by a Medicaid provider
- 31 reported misconduct by an MDH employee or contractor
- 16 reported a HIPAA/Privacy violation
- 68 miscellaneous concerns

Support and Coordination

- Serves as the liaison between MDH leadership and outside auditors, including OLA, HHS-OIG, Centers for Medicare and Medicaid Services (CMS), and others
- Responsible for facilitating efficient and coordinated interaction with the outside organization
- Performs administrative tasks such as scheduling meetings and other communications, transmitting requested documents and MDH responses to audit findings, and monitoring corrective actions
- As appropriate, advises MDH on the outside organization's process. However, because the OIG must always protect its independence, the unit does not advise MDH on the substance of communications with or responses to the outside auditor.

Institutional Review Board

The Support and Coordination Unit includes the Institutional Review Board (IRB), which is responsible for reviewing research to ensure that the rights, safety, and dignity of human subjects are protected.

The IRB reviews all research involving human subjects when:

- Funded with federal, State, or other funds available from or through MDH; or
- The human subjects are patients or clients of MDH; or
- The data sought by the investigator is data held or compiled by or for MDH; or
- The investigator is an employee of MDH or a student in a residency program at MDH, and the employee or student is conducting the research as a function of his employment or training.

Key Accomplishments

- Reviewed 35 new research protocols
- Conducted 198 expedited reviews of research protocols
- Completed 2 IRB Compliance Site Reviews

PROGRAM INTEGRITY

Highlights from FY2020

Provider Review

Investigates allegations of fraud, waste, and abuse by Medicaid providers

Key Accomplishments

- Over \$32 million¹ in civil settlements recovered in civil actions under the False Health Claims Act
- 53 active investigations being conducted by Program Integrity staff
- 83 referrals received and reviewed from various sources including the Medicaid Programs (BHA, DDA, ISAS), MCOs, hotline (phone & website)
- 6 referrals made to the Medicaid Fraud Control Unit in the Attorney General's Office for criminal prosecution and/or civil action
- 55 active audits and/or investigations

How we investigate

Investigations are initiated from referrals received via hotline, website, telephone calls, and mail.

Referrals are received from:

- Behavioral Health Administration
- Developmental Disabilities Administration (DDA)
- In-Home Supports Assurance System (ISAS)
- Managed Care Organizations (MCOs)
- Citizens and/or Anonymous complainants

If the audit and/or investigation results in a credible allegations of fraud finding, the case is referred to the MFCU for potential prosecution and/or civil recovery.

¹ Of the \$32 million, \$28 million is attributed to the settlement of a six different whistleblower lawsuits filed on behalf of the federal government, Maryland and other states against Reckitt Beckinser Group. The settlement resolved claims that the marketing of Suboxone, a drug product approved for use by recovering opioid addicts to avoid or reduce withdrawal symptoms while they undergo treatment, caused false claims to be submitted to government health care programs.

Recipient Fraud Unit

Investigates allegations of fraud, waste, and abuse by Medicaid recipients, including those who provided false or misleading information to obtain Medicaid benefits

Key Accomplishments

- \$1.4 million identified in recoveries from individuals improperly seeking Medicaid benefits and referred to the Division of Recoveries and Financial Services (DRAFS)
- 464 referrals received from various sources (hotline, Department of Human Resources, local health department)
- 403 investigations opened
- 205 active investigations
- 19 cases prosecuted by the local State's Attorney's Office; \$352,202.46 ordered in restitution

How we investigate

Investigations are initiated from referrals received via hotline, email, telephone calls, and mail.

Referrals are received from:

- Local Health Departments
- The Department of Human Services and its Office of the Inspector General
- The Office of the Attorney General
- The Centers for Medicare and Medicaid Services (CMS)
- Citizens and/or anonymous complainants

At the conclusion of the investigations, cases are referred to DRAFS or the proper State's Attorney's Office for potential prosecution.

Data Analytics/Clinical Unit

Assists in identifying overpayments, fraud, waste, and abuse through data mining of health care claims

Key Accomplishments

Data Analysis

- \$330,000 in recoveries identified through data analytics resulting in a request for the provider to remit the overpayment amount

Hospital Audits

- Completed audit of claims from 42 hospitals resulting in a recommended recovery of over \$47,000
- Successfully brought a Recovery Audit Contractor (RAC) onboard to perform audits
- RAC identified a recovery of almost \$4,000 in FY2020.

Pharmacy Audits

- Conducted a combination of 19 audits and/or data review requests
- Identified over \$4 million in potentially fraudulent pharmacy claims necessitating further investigation

STRATEGIC OBJECTIVES

A Roadmap for FY2021

The OIG has identified five strategic objectives to lay the foundation for continued success and improvement in FY2021 and beyond:

1. Continue to conduct risk-based audits, investigations, and reviews that maximize Maryland taxpayers' return on their investment in the OIG
2. Increase staff professionalism through the ongoing adoption of professional auditing and investigative standards and practices; and through additional training
3. Enhance the OIG organizational structure to increase operational efficiency and to create additional opportunities for entry-level recruiting and career growth
4. Increase audit and investigative capabilities through targeted technology upgrades
5. Update our strategic approach to Medicaid Program Integrity to increase the speed and efficiency in identifying and building fraud cases for referral to prosecutors



Maryland Department of Health
Office of the Inspector General
201 W. Preston Street
Baltimore, MD 21201

Report Fraud, Waste & Abuse

1-866-770-7175

https://health.maryland.gov/oig/Pages/Report_Fraud.aspx