



Medical Assistance provider recoveries

Issue:

- When providers for Medical Assistance (MA), Minnesota's Medicaid program, are overpaid, those that continue to provide services are subject to reduced ongoing payments to collect the debt. However, this is not possible when a provider goes out of business.

Proposal:

- This proposal allows DHS to require surety bonds for Medicaid-funded providers and to pursue recovery from these surety bonds when providers go out of business.
- It also equips DHS with the resources necessary to pursue recoveries through revenue recapture of federal and state tax receipts, garnishment and other mechanisms, and to recover the federal matching funds that have already been paid to the federal agency.
- This adds two staff members in the financial operations area of DHS to work on this initiative.

Impact:

- This proposal increases collections of overpayments from health care providers that have closed their businesses.

Number of people affected

- Approximately 800,000 Minnesotans are enrolled in state health care programs.
- More than 155,800 providers are enrolled with DHS.

Fiscal impact:

- FY 2014: \$399,000 savings
- FY 2015: \$406,000 savings
- FY 2016: \$406,000 savings
- FY 2017 \$406,000 savings

Related information:

- Minnesota Management & Budget website: <http://www.mmb.state.mn.us>
- Minnesota Health Care Programs fact sheet:
<https://edocs.dhs.state.mn.us/lfsrver/Public/DHS-4932-ENG>

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