



Rooting out waste, fraud and abuse and protecting our most vulnerable

This initiative builds on DHS' 2011 creation of the Office of Inspector General to improve fraud, investigation and recovery efforts and protect children, seniors and people with disabilities. DHS is seeking additional resources and statutory changes to provide more accountability and transparency, and ensure children and vulnerable adults receiving care in licensed facilities and their homes are safe.

Historically DHS decentralized fraud and abuse investigation. Individual program areas were responsible for investigating fraud and abuse by providers and recipients. No separate office existed to detect, investigate, recover funds, promote prosecution, and prevent fraud or inappropriate billing. DHS had an incomplete system for managing investigations. Problems identified in licensing inspections that could indicate fraud were not always adequately followed up with investigations.

In 2011 this changed with creation of the Office of Inspector General (OIG). Now in its third year, the OIG continues to streamline, consolidate and find ways to better protect the integrity of government programs and protect the health and safety of Minnesota's most vulnerable.

Legislative Proposals:

Provider fraud and recoveries. More than 800,000 people are enrolled in public health care programs. The Medical Assistance (MA) investigative unit has only 10 investigators, too few to adequately investigate more than 155,800 providers or their complex services. The Child Care Assistance Program (CCAP), which has almost 12,500 providers and serves more than 19,000 families each month, has no unit to investigate provider fraud or overpayments. In addition, screening of some providers before and after enrollment in MA is required with the Affordable Care Act. DHS lacks the resources to conduct these inspections and utilize the required enrollment fees. Resources are needed to pursue repayments from providers that abandon their businesses. Legislative proposals would:

- Implement federal requirements for provider enrollment screening.
- Expand the Surveillance and Integrity Review unit to increase MA fraud investigations.
- Require and then pursue provider surety bonds from providers that go out of business; pursue recoveries through revenue recapture and recovery of federal matching funds when provider debts are uncollectable.
- Establish a child care provider fraud investigation and data analysis unit.
- Enhance audit activity for nursing facilities.
- Implement a new fee schedule for home and community-based service providers.

Internal audit operations. Work by DHS staff and county partners, including eligibility, claims processing and contracting, are critical to program integrity. The Compliance Office does not have enough experienced auditors to review programs associated with a \$13 billion annual budget. This

means DHS cannot proactively audit programs and identify inefficient processes and save taxpayer dollars.

- The legislative proposal would expand internal audit capacity.

Child care and background study changes. Improved child safety and provider training are needed to enhance compliance with safe sleep practices, and better protect infants receiving care in licensed settings. Proposals will:

- Implement improved training and oversight related to infant sleep safety practices for family child care.
- Partner with Minnesota Court Information System (MNCIS) to routinely receive new criminal activity data on people subject to previous background studies.
- Expand the scope of background studies to include routine access to the Predatory Offender Registry (POR), sometimes referred to as the "sex offender registry."