



News Release

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Comment on Findings of Fraud, Waste, and Abuse in Utah Medicaid

Ref: Performance Audit of Utah Medicaid Provider Cost Control, released today at 4:00 pm

Salt Lake City-Today at 4:00 pm the Office of the Legislative Auditor General released findings from a recent performance audit of fraud, waste, and abuse in Utah Medicaid. The report shows evidence of extensive fraud, waste, and abuse, including overcharging ("upcoding"), and deficiencies in state agencies' ability to prevent and detect fraud, waste, and abuse.

UHPP Statement

We are as concerned about these findings as legislative leaders, and just as eager to go after whatever savings can be found through a more systematic approach to waste, fraud, and abuse. However, we want to make sure that the Medicaid program and its beneficiaries are protected through this process.

Already the Department has been working to identify errors in coding in the state clinics and have already implemented corrective measures. Here we wish to emphasize is that there is NO profit motive, no "intent" to defraud payers (least of all Medicaid), but simply errors in codes assigned to an encounter and/or insufficient documentation in the chart to support the code billed.

Beyond these measures, the Department of Health must be given sufficient resources—and time-- to undertake and sustain a comprehensive approach to preventing fraud, etc. These are the categories of proven approaches from around the U.S.:

- Support sophisticated electronic fraud, abuse detection systems (to go after 'up-coding')
- Create Medicaid Inspector General Office
- Fund additional staff (Utah falls short in this area)
- Enhance prosecutorial authority
- Establish a more rigorous prescription drug monitoring program
- Pass anti-kickback, self-referral, whistleblower laws: this can start, in this General Session, by passing Sen. Ben McAdams legislation "False Claim Act." Details are here:

http://www.healthpolicyproject.org/Publications_files/Medicaid/StopFraudBrief8-16-10.pdf

The state clinics are part of Utah's "safety net," and as such they care for many with no insurance, on public assistance (PCN and Medicaid), or poor but self-pay folks. From what we can see the Department is committed to improve management of provider payment systems; BUT ALONG THE WAY THEY WILL NEED TO MAINTAIN THESE CLINICS TO CARE FOR THOSE WHO OTHERWISE WOULD GO WITHOUT.