

State of Alaska FY2020 Governor's Operating Budget

Department of Health and Social Services Quality Assurance and Audit Component Budget Summary

Component: Quality Assurance and Audit**Contribution to Department's Mission**

Program Integrity/Quality Assurance efforts focus on meeting and exceeding department and federal standards and requirements related to protecting Medicaid program assets and ensuring quality services.

Core Services

- Audits of Medical Assistance provider Medicaid claims.
- Organize and chair functional Audit Committee.
- Management and oversight of the contract audits mandated under Alaska Statute 47.05.200.
- Compliance Officer contact and responsibility with the Center for Medicare and Medicaid Services (CMS).
- Departmental contact for the Department of Law, Medicaid Fraud Control Unit (MFCU).
- Payment Error Rate Measurement (PERM).

Major Component Accomplishments in 2018

Promulgated regulations related to provider recordkeeping and self-audits to implement statutory requirements associated with Medicaid reform.

Together with Law enforcement and other state and federal agencies formed the Alaska Health Care Fraud Working group to increase collaboration and communication.

Coordinated federal fiscal year (FFY) 2017 payment error rate measurement program.

Issued 16 payment suspensions to Medicaid providers in collaboration with the Medicaid Fraud Control Unit due to credible allegations of fraud.

Prepared and distributed educational materials and training on new provider recordkeeping and audits travel and accommodation providers, dental providers, and providers receiving cost of care funds from recipients.

Recovered \$2.5 million in overpayments.

Key Component Challenges

Implementing the new self-audit requirement will strain current resources. Medicaid Program Integrity has received several adverse decisions on audit appeals related to equitable estoppel. These decisions create very poor precedence and may impact the ability for program integrity to collect overpayments, which should be returned to the Department.

Medicaid Program Integrity continues to operate without a case tracking tool. The current use of an access database and spreadsheets does not provide the functionality of new systems and impedes our ability to share case level information.

The Payment Error Rate Measurement (PERM+) corrective action plan and related updates will continue until the FFY 2020 PERM cycle commences. The FFY 2017 PERM cycle required more resources than ever with an increased sample size and the review contractor on site at DHSS offices in Anchorage for 7 weeks.

Significant Changes in Results to be Delivered in FY2020

Changes are anticipated in regulations concerning provider self-reviews, interest on overpayments, and civil monetary penalties while implementing Alaska's Medicaid False Claims and Reporting Act.

Statutory and Regulatory Authority

AS 47.05 Administration of Welfare, Social Services and Institutions
AS 47.07 Welfare, Social Services and Institutions, Medical Assistance for Needy People
7 AAC 160.100 - 140, Article 1 Program Integrity and Quality Assurance

Contact Information
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Quality Assurance and Audit Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2019</u> <u>Management</u> <u>Plan</u>	<u>FY2020</u> <u>Governor</u>		
Full-time	6	6	Annual Salaries	543,484
Part-time	0	0	COLA	11,636
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	304,361
			<i>Less 0.01% Vacancy Factor</i>	(81)
			Lump Sum Premium Pay	0
Totals	6	6	Total Personal Services	859,400

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Audit & Review Analyst II	1	0	0	0	1
Audit & Review Analyst IV	1	0	0	0	1
Medicaid Program Spec II	1	0	0	0	1
Medicaid Program Spec III	1	0	0	0	1
Medicaid Program Spec IV	1	0	0	0	1
Office Assistant III	1	0	0	0	1
Totals	6	0	0	0	6

Component Detail All Funds
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	770.2	830.2	830.2	830.6	859.4	28.8	3.5%
72000 Travel	0.0	6.2	6.2	5.8	2.5	-3.3	-56.9%
73000 Services	187.8	125.7	125.7	125.7	122.9	-2.8	-2.2%
74000 Commodities	2.5	10.0	10.0	10.0	6.0	-4.0	-40.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	960.5	972.1	972.1	972.1	990.8	18.7	1.9%
Fund Sources:							
1002 Fed Rcpts (Fed)	480.2	486.1	486.1	486.1	495.4	9.3	1.9%
1003 G/F Match (UGF)	480.3	486.0	486.0	486.0	495.4	9.4	1.9%
Unrestricted General (UGF)	480.3	486.0	486.0	486.0	495.4	9.4	1.9%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	480.2	486.1	486.1	486.1	495.4	9.3	1.9%
Positions:							
Permanent Full Time	6	6	6	6	6	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Conference Committee												
ConfCom		972.1	830.2	6.2	125.7	10.0	0.0	0.0	0.0	6	0	0
1002 Fed Rcpts		486.1										
1003 G/F Match		486.0										
Subtotal		972.1	830.2	6.2	125.7	10.0	0.0	0.0	0.0	6	0	0
***** Changes From FY2019 Authorized To FY2019 Management Plan *****												
Align Authority with Anticipated Decrease in Travel Expenses												
LIT		0.0	0.4	-0.4	0.0	0.0	0.0	0.0	0.0	0	0	0
Quality Assurance and Audit generally operates with no vacancies. Additional authority is available on the travel line for transfer to personal services, due to anticipated decrease in travel.												
\$0.2 Fed												
\$0.2 GFM												
Subtotal		972.1	830.6	5.8	125.7	10.0	0.0	0.0	0.0	6	0	0
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
Reverse SU 15 Hour Furlough Reduction												
SalAdj		1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		0.7										
1003 G/F Match		0.7										
Alaska Public Employees Association, supervisory unit, 15 hours of furlough required for each permanent full-time employee in each year from July 1, 2016 to June 30, 2018.												
Align Authority to Fully Support Positions												
LIT		0.0	10.1	-3.3	-2.8	-4.0	0.0	0.0	0.0	0	0	0
Quality Assurance and Audit generally operates with no vacancies. Additional authority is available in all other line items for transfer to personal services, due to anticipated decrease in those line items.												
FY2020 Salary Adjustments - GGU, CEA, TEAME												
SalAdj		16.3	16.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		8.1										
1003 G/F Match		8.2										
FY2020 Salary Adjustments - GGU, CEA, TEAME: \$16.3												

Change Record Detail - Multiple Scenarios with Descriptions
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
FY2020 GGU HI from \$1432 to \$1530: \$4.7												
FY2020 GGU 3% COLA: \$11.6												
Reverse Alaska State Employees Association (GGU) 15 Hour Furlough												
	SalAdj	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		0.5										
1003 G/F Match		0.5										
The Alaska State Employees Association (representing the general government unit) contractually required 15 hours of furlough for each permanent full-time employee in each year from July 1, 2016, to June 30, 2019. The furlough requirement was removed from the contract in FY2020.												
Totals		990.8	859.4	2.5	122.9	6.0	0.0	0.0	0.0	6	0	0

Personal Services Expenditure Detail
Department of Health and Social Services

Scenario: FY2020 Governor (15610)
Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
06-1050	Office Assistant III	FT	A	GP	Anchorage	200	11B / C	12.0		37,434	1,524	0	31,862	70,820	35,410
06-4095	Medicaid Program Spec IV	FT	A	SS	Anchorage	99	21L	12.0		102,054	0	0	55,284	157,338	78,669
06-4099	Medicaid Program Spec II	FT	A	GP	Anchorage	200	18L	12.0		77,916	3,172	0	46,322	127,410	63,705
06-4104	Audit & Review Analyst IV	FT	A	SS	Anchorage	99	25P	12.0		155,637	0	0	73,030	228,667	114,334
06-7000	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21L	12.0		95,340	3,882	0	52,546	151,768	75,884
06-7010	Medicaid Program Spec III	FT	A	GP	Anchorage	200	20E / F	12.0		75,103	3,058	0	45,317	123,478	61,739
Total													Total Salary Costs:	543,484	
Positions													Total COLA:	11,636	
Full Time Positions:													Total Premium Pay::	0	
Part Time Positions:													Total Benefits:	304,361	
Non Permanent Positions:													Total Pre-Vacancy:	859,481	
Positions in Component:													Minus Vacancy Adjustment of 0.01%:	(81)	
Total Component Months: 72.0													Total Post-Vacancy:	859,400	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	859,400	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1002 Federal Receipts	429,741	429,700	50.00%
1003 General Fund Match	429,741	429,700	50.00%
Total PCN Funding:	859,481	859,400	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail (1676)
Department of Health and Social Services
Travel

Component: Quality Assurance and Audit (2880)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
2000	Travel		0.0	5.8
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
2000 Travel Detail Totals			0.0	5.8
2000	In-State Employee Travel	In state travel for administrative purposes and for division staff to attend department meetings and briefings, monitor and evaluate grantee services, attend conferences and trainings.	0.0	5.8

Line Item Detail (1676)
Department of Health and Social Services
Services

Component: Quality Assurance and Audit (2880)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		187.8	125.7
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			187.8	125.7
3003	Information Technology	Software licensing fees, renewal and maintenance costs.	2.4	0.1
3004	Telecommunications	Communication costs to outside vendors for long distance charges, telecommunication fees, data circuits, television, cellular and other wireless phone costs.	1.2	0.3
3006	Delivery Services	Delivery costs to include postage for the division's mail outs, freight, and messenger or courier delivery costs.	3.1	2.9
3007	Advertising and Promotions		0.8	0.0
3008	Utilities		0.2	0.0
3009	Structure/Infrastructure/Land	RSA with Department of Administration Division of General Services for Leases and Facilities Rent.	0.7	0.7
3010	Equipment/Machinery	Repair and maintenance of office furniture and equipment.	3.8	2.1
3011	Other Services		2.0	0.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	3.6	0.0
3017	Inter-Agency Information Technology Non-Telecommunications	H&SS - Information Technology Services (2754)	4.3	7.2
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	9.2	14.4

Line Item Detail (1676)
Department of Health and Social Services
Services

Component: Quality Assurance and Audit (2880)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals				187.8	125.7
			Telecommunications.		
3018	Inter-Agency Information Technology Telecommunications	Law - Department-wide	RSA with Department of Law Regulations Review.	0.0	0.1
3022	Inter-Agency Human Resources	Admin - Department-wide	RSA with the Department of Administrative Division of Personnel for Human Resources Services.	3.9	4.4
3024	Inter-Agency Legal	Law - Department-wide		0.1	0.0
3026	Inter-Agency Insurance	Admin - Department-wide	RSA with the Department of Administration Risk Management for Insurance.	0.7	0.7
3027	Inter-Agency Financial	Admin - Department-wide		0.7	0.0
3030	Inter-Agency Hearing/Mediation	Admin - Department-wide	RSA with Department of Administration Office of Administrative Hearings.	141.9	87.8
3038	Inter-Agency Management/Consulting	H&SS - Administrative Support Svcs (320)	RSA with Finance and Management Services Administrative Support Services.	1.7	1.7
3038	Inter-Agency Management/Consulting	H&SS - Commissioner's Office (317)	RSA with the Commissioner's Office.	0.5	0.5
3038	Inter-Agency Management/Consulting	H&SS - Information Technology Services (2754)	RSA with Finance and Management Services Information Technology Services.	5.3	1.9
3038	Inter-Agency Management/Consulting	H&SS - Public Affairs (2874)	RSA with Finance and Management Services Public Affairs.	0.6	0.8
3038	Inter-Agency Management/Consulting	Labor - Department-wide	RSA with Department of Labor Workforce Development Demographics.	1.1	0.1

Line Item Detail (1676)
Department of Health and Social Services
Commodities

Component: Quality Assurance and Audit (2880)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
4000	Commodities		2.5	10.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
4000 Commodities Detail Totals			2.5	10.0
4000	Business	General office supplies necessary to support programs and activities.	2.5	10.0

Revenue Detail (1681)
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)

Revenue Type (OMB Fund Code)	Component	Comment	FY2018 Actuals	FY2019 Management Plan
Revenue Source				
5002 Fed Rcpts (1002 Fed Rcpts)			480.2	486.1
5019 Federal - Miscellaneous Grants		Indirect Federal Receipts as collected in the Cost Allocation Plan.	480.2	486.1

Inter-Agency Services (1682)
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)

				FY2018 Actuals	FY2019 Management Plan
Component Totals				173.6	119.6
With Department of Administration				160.0	107.3
With Department of Health and Social Services				12.4	12.1
With Department of Law				0.1	0.1
With Department of Labor and Workforce Development				1.1	0.1
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	3.6	0.0	
3017	Inter-Agency Information Technology Non-Telecommunications	H&SS - Information Technology Services (2754)	4.3	7.2	
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	9.2	14.4	
3018	Inter-Agency Information Technology Telecommunications	Law - Department-wide	0.0	0.1	
3022	Inter-Agency Human Resources	Admin - Department-wide	3.9	4.4	
3024	Inter-Agency Legal	Law - Department-wide	0.1	0.0	
3026	Inter-Agency Insurance	Admin - Department-wide	0.7	0.7	
3027	Inter-Agency Financial	Admin - Department-wide	0.7	0.0	
3030	Inter-Agency Hearing/Mediation	Admin - Department-wide	141.9	87.8	
3038	Inter-Agency Management/Consulting	H&SS - Administrative Support Svcs (320)	1.7	1.7	

Inter-Agency Services (1682)
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3038	Inter-Agency Management/Consulting	H&SS - Commissioner's Office (317)	RSA with the Commissioner's Office.	0.5	0.5
3038	Inter-Agency Management/Consulting	H&SS - Information Technology Services (2754)	RSA with Finance and Management Services Information Technology Services.	5.3	1.9
3038	Inter-Agency Management/Consulting	H&SS - Public Affairs (2874)	RSA with Finance and Management Services Public Affairs.	0.6	0.8
3038	Inter-Agency Management/Consulting	Labor - Department-wide	RSA with Department of Labor Workforce Development Demographics.	1.1	0.1