



Fraud, Waste, and Abuse in Wisconsin Medicaid

What Is the Office of the Inspector General?

The Office of the Inspector General (OIG) is the part of the Department of Health Services responsible for preventing, identifying, and addressing fraud, waste, and abuse in Medicaid programs.

What Is Medicaid Fraud?

Fraud is an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law.

*42 CFR § 433.304 and 42 CFR § 455.2

Examples may include:

- Billing for services that were not rendered
- Upcoding
- Forging or altering documentation
- Accepting kickbacks

What Is Medicaid Waste?

Waste is the squandering of money or resources. Claims billed in error are considered waste. Most overpayments that are identified through the Office of the Inspector General's (OIG) audits and provider self-audits are considered waste because they are usually unintentional.

What Is Medicaid Abuse?

Abuse includes provider practices that are inconsistent with sound fiscal, business, or medical practices, which result in unnecessary cost to the Medicaid program; or, the reimbursement for services that are not medically necessary or fail to meet professionally recognized standards of health care. It also includes beneficiary practices that result in unnecessary cost to the Medicaid program.

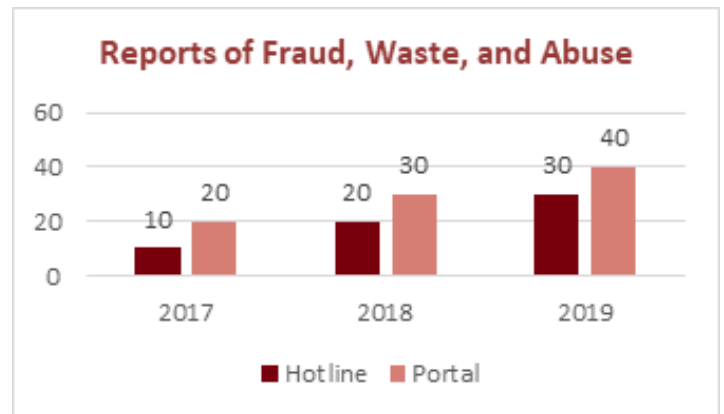
How Do I Make a Report?

It is important to report any suspicion of Medicaid fraud, waste, and abuse to OIG. You can do this one of two ways:

Hotline You can call 877-865-3432 to report fraud, waste, and abuse. If OIG staff is assisting another caller, you are able to leave a message on the voicemail with the details of your report. OIG will contact you only if more information is needed.

Online portal You can visit our online portal at www.reportfraud.wisconsin.gov and enter the details of your report. OIG will contact you only if more information is needed.

You can remain anonymous when you make a report using the hotline or the portal.



What Happens After I Make a Report?

OIG staff will review the information and determine which team is most appropriate to address the type of report and will assign it to that team. The team will review the information and will often request data related to the provider or Medicaid member identified in the report. After reviewing the data, the team determines how to address the allegations. Some options include but are not limited to:

- Conduct an audit
- Make a referral to the Division of Safety and Professional Services (DSPS), the Department of Justice (DOJ), or other relevant entity
- Send a cease and desist letter to the provider
- Close the report without further action

How Does OIG Address Fraud, Waste, and Abuse?

Wisconsin OIG has the authority to take any combination of the following actions to combat fraud in the Medicaid program: recoupment of overpayments, sanctions, termination, or referral to the Department of Justice.

What Is an Overpayment?

An overpayment is the amount paid by a Medicaid agency to a provider which is in excess of the amount that is allowable for services furnished.

*42 CFR § 433.304

What Is Recoupment?

Recoupment is defined as any formal action by the State or its fiscal agent to initiate recovery of an overpayment without advance official notice by reducing future payments to a provider.

*42 CFR § 433.304

OIG can audit and recoup identified overpayments in the following situations:

- The actual provision of the service cannot be verified;
- The appropriateness of the service cannot be verified; or
- The claim was inaccurate.

*Wis. Statute § 49.45(3)(f) and Wis. Admin. Code § DHS 107.01

Since the OIG's creation in 2011, OIG has recovered over \$110 million of Wisconsin taxpayer dollars in Medicaid overpayments due to fraud, waste, and abuse.

What Are Sanctions?

Sanctions are requirements imposed on a provider by OIG to correct problems identified in an audit.

Examples include but are not limited to requiring:

- A third party biller
- A self-audit
- A compliance plan
- Prepayment review

*Wis. Admin. Code § DHS 106.08

What Is a Termination?

Termination means that a provider would no longer be able to provide services to Medicaid members.

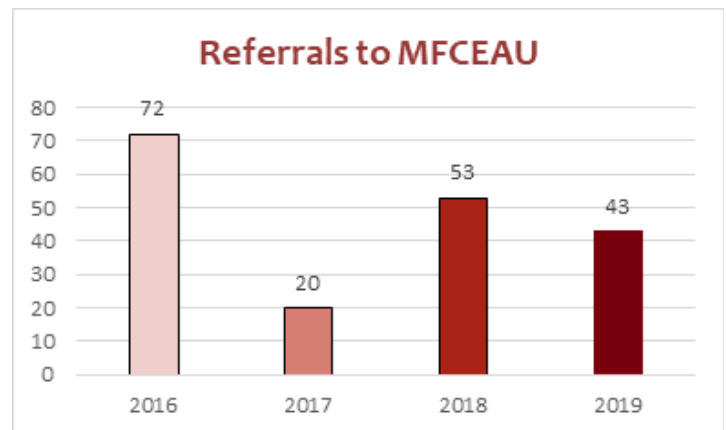
- Wis. Admin Code 106.06 describes all of the reasons for which OIG can involuntarily terminate or suspend a provider from Medicaid.
- OIG refers terminated providers to the U.S. Department of Health and Human Services for inclusion on the federal exclusion list.

*Wis. Admin. Code § DHS 106.06

What Is a Referral to the Department of Justice?

OIG must report all credible allegations of fraud or abuse to the Medicaid Fraud Control and Elder Abuse Unit (MFCEAU) for investigation and potential civil or criminal action.

*42 CFR § 455.15



WISCONSIN DEPARTMENT
of HEALTH SERVICES
P-02877 (01/2021)