



OAG

Office of the Auditor General

Report Summary

Performance Audit

Oversight and Encounter Claim Integrity of the Comprehensive Health Care Program (CHCP)

Michigan Department of Health and Human Services (MDHHS)

Report Number:
391-0702-17

Released:
May 2019

CHCP was initiated as a mechanism for controlling costs and improving beneficiary care in Michigan's Medicaid program. MDHHS contracts with Medicaid Health Plans (MHPs) to provide health care and management services to the Medicaid and Healthy Michigan Plan (HMP) beneficiaries who chose or are required to be enrolled in an MHP. From October 1, 2014 through May 31, 2017, MDHHS's capitated rate payments totaled \$19.3 billion for an annual average of 1.8 million Medicaid and HMP beneficiaries. During this same period, MHPs submitted approximately 230.6 million encounter claims representing medical services provided to MHP-enrolled beneficiaries.

Audit Objective			Conclusion
Objective #1: To assess the sufficiency of MDHHS's efforts to ensure that MHPs' encounter claim data met select Medicaid program criteria.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Medical records were not provided or did not fully support 14% of the encounter claims reviewed, which may result in future capitated rate overpayments of up to \$228.1 million annually (3.2% of annual capitated rate payments) (Finding #1).	X		Agrees
MDHHS Community Health Automated Medicaid Processing System (CHAMPS) edits did not identify or reject improper and duplicate encounter claims, which may result in future capitated rate overpayments of up to \$87.8 million annually (1.2% of annual capitated rate payments) (Finding #2).	X		Agrees

Audit Objective			Conclusion
Objective #2: To evaluate the sufficiency of MDHHS's oversight efforts to ensure MHP-enrolled beneficiary access to medical care.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDHHS did not ensure that MHPs were sufficiently using the Benefits Monitoring Program to prevent overuse or misuse of medical services (<u>Finding #3</u>).		X	Agrees

Audit Objective			Conclusion
Objective #3: To assess the sufficiency of MDHHS's efforts to monitor MHPs' provider networks.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
See <u>Finding #2</u> , part b.	X		Agrees

Obtain Audit Reports

Online: audgen.michigan.gov

Phone: (517) 334-8050

Office of the Auditor General
201 N. Washington Square, Sixth Floor
Lansing, Michigan 48913

Doug A. Ringler, CPA, CIA
Auditor General

Laura J. Hirst, CPA
Deputy Auditor General