# Medi-Cal Program Guide (MPG) Letter #775

March 7, 2013

**Subject** **ARTICLE A – LOW INCOME HEALTH PROGRAM (LIHP) FRAUD REFERRAL PROCESS**

**Effective Date** Upon receipt.

**Reference** District Attorney (DA) Memorandum of Agreement (MOA); County Policy

**Purpose** To provide staff with the Public Assistance Fraud Division (PAFD) Fraud Referral process for LIHP.

**Background** Fraud prevention and identification is a primary goal of San Diego's Health and Human Services Agency (HHSA) (Welfare & Institutions Code §12305.8). LIHP is not within the State's Department of Health Care Services (DHCS) Investigators jurisdiction; however, a DHCS fraud investigation report may be used to support a LIHP eligibility determination. Lack of clarification for inconsistent/conflicting information is cause for case denial or discontinuance of LIHP benefits.

**Highlighted Change** An agreement has been entered into between HHSA and the District Attorney's (DA) Public Assistance Fraud Division (PAFD) to investigate allegations or suspicions of fraud for LIHP. The DA's office will be responsible for maintaining a fraud referral data system that collects and tracks the number and outcome of all LIHP fraud referrals received. This data shall be provided to HHSA upon request.

All LIHP applications are to be evaluated for Medi-Cal first, as outlined in the Medi-Cal/LIHP Application Process Eligibility Desk Guide

| If the Medi-Cal application is… | And the LIHP application is… | The fraud referral goes to… |
|---|---|---|
| denied, | pending, | PAFD |
| pending, | pending, | DHCS* |
| pending, | approved, | DHCS* |

*DHCS instructions regarding fraud prevention and referral criteria are outlined in MPG Article 16.

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**Referral Process**

The goal of PAFD is to complete an early fraud prevention/detection investigation before a LIHP application is approved in order to prevent the issuance of LIHP benefits to a deceptive applicant/enrollee or to terminate fraudulently obtained benefits after the granting of LIHP.

LIHP fraud referral to PAFD is a manual process. All LIHP fraud referrals must be made using the Manual PAFD Fraud Referral form. LIHP fraud referrals must **not** be made using the Fraud Referral Tracking System (FRTS).

Manual PAFD Fraud Referral
This form is used to initiate all LIHP fraud referrals (Attachment A).

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**Repayment Process**

If fraud exists, the LIHP Fraud Specialist sets up a repayment plan for the enrollee to repay the amount for all services paid by LIHP on their behalf.

LIHP-31 Repayment Notice of Action (NOA) (Eng/Span)
This NOA has been created for the LIHP Fraud Specialist to inform the enrollee of the information received and the repayment amount of all claims paid by LIHP (Attachments B&C).

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**Required Actions**

Worker Role
HHSA staff is responsible for reviewing inconsistent and contradictory information and promptly initiating a PAFD referral for potential fraud. Workers are to follow the steps listed in A.10.01, to prevent the granting of LIHP benefits or continuation of LIHP benefits to which the applicant/enrollee was not entitled.

LIHP Fraud Specialist
The LIHP Fraud Specialist determines if an overpayment has occurred and sets up a repayment plan for the enrollee to repay the amount for all services paid by LIHP on their behalf, as outlined in A.10.01.

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**Forms Impact**

The table below shows the new form and NOA issued with this letter.

| Number | Title | Change |
|---|---|---|
| N/A | Manual PAFD Fraud Referral | New |
| LIHP-31 | Repayment NOA | New |

| (Eng/Span) | | |
|---|---|---|

**CMS IT System Impact**

The Manual PAFD Fraud Referral form has been uploaded into the CMS IT System (AuthMed) for printing.

**ACCESS Impact**

No impact.

**Quality Control Impact**

Effective with the April 2013 review month, Quality Control will cite with the appropriate error any case that does not follow the requirements of this letter.

Summary of Changes

The table below shows the changes made to the MPG.

| Article | Title | Changes |
|---|---|---|
| 01.00 | Table of Contents | Updated the Table of Contents. |
| A.10.01 | Fraud Prevention and PAFD Referral | Added new section. |

**Approval for Release**

[signature] 3-11-13

JP

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| | |
|---|---|
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**A.10 Details**


| SECTION 10 FRAUD PREVENTION AND PAFD REFERRAL | |
|---|---|
| **TITLE** | **PG CITE** |
| Fraud Prevention and Public Assistance Fraud Division (PAFD) Referral | A.10.01 |


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## Article A Section 10 Fraud Prevention and Public Assistance Fraud Division (PAFD) Referral

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**Resources**

| RESOURCE | TITLE |
| --- | --- |
| Desk Aids | • LIHP Manual PAFD Fraud Referral Form Completion Instructions |

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## A.10.01 Fraud Prevention and Public Assistance Fraud Division (PAFD) Referral

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**A.10.01A General**

Fraud prevention and identification is a primary goal of San Diego's Health and Human Services Agency (HHSA). LIHP is not within the State's Department of Health Care Services (DHCS) Investigator's jurisdiction; however, a DHCS fraud investigation report may be used to support a LIHP eligibility determination. An agreement has been entered into between HHSA and the District Attorney's (DA) Public Assistance Fraud Division (PAFD) to investigate allegations or suspicions of fraud for LIHP.

All LIHP applications are to be evaluated for Medi-Cal first, as outlined in the Medi-Cal/LIHP Application Process Eligibility Desk Guide.

| If the Medi-Cal application is… | And the LIHP application is… | The fraud referral goes to… |
| --- | --- | --- |
| denied, | pending, | PAFD |
| pending, | pending, | DHCS** |
| pending, | approved, | DHCS** |

**DHCS instructions regarding fraud prevention and referral criteria are outlined in MPG Article 16.

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**A.10.01B Policy**

The goal of PAFD is to complete an early fraud prevention/detection investigation before a LIHP application is approved in order to prevent the issuance of LIHP benefits to a deceptive applicant/enrollee or to terminate fraudulently obtained benefits after the granting of LIHP benefits.

LIHP fraud referral to PAFD is a manual process. All LIHP fraud referrals must be made using the Manual PAFD Fraud Referral form. LIHP fraud referrals must **not** be made using the Fraud Referral Tracking System (FRTS).

HHSA staff is responsible for reviewing inconsistent and contradictory information for potential fraud.

| If ... | Then ... |
|---|---|
| the worker is able to resolve the issue, | No referral to PAFD is needed. |
| conflicting information exists, | • It must be corrected or clarified by the applicant/enrollee; or<br>• A referral must be promptly made to PAFD. |

Lack of clarification for inconsistent/conflicting information is cause for case denial or discontinuance of LIHP benefits.

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**A.10.01C Definition of Fraud**

Fraud exists when an applicant/enrollee on behalf of him/herself or others has:

1. Knowingly and with intent to deceive or defraud, made a false statement or representation to become certified for LIHP.
2. Knowingly and with intent to deceive or defraud, failed to disclose a fact which, if disclosed, could have resulted in a denial or discontinuance of LIHP.
3. Knowingly and with intent to deceive or defraud, accept LIHP benefits to which he/she was not entitled.
4. Made statements, which he/she knew to be untrue for the purpose of avoiding denial or discontinuance of LIHP.

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**A.10.01D Reporting Provider Fraud**

Informants who want to report possible provider fraud may be referred to the County Compliance Officer at (619) 515-4246 or by e-mail at Compliance.HHSA@sdcounty.ca.gov. Informants may request that their identity be kept confidential.

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**A.10.01E**

The following may require a PAFD referral:

**Fraud Related Allegations**

- Residence is questionable (i.e., non-existent addresses, living and/or receiving medical care out of county, state, or country).
- Unreported household members are living in the home.
- Unreported income is received.
- Expenses exceed income (How are needs being met?).
- Documentation submitted appears to have been altered or is apparently counterfeit.

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**A.10.01F Worker Role**

Referral Initiated

If the worker cannot resolve the discrepancy or fraud allegation after taking all necessary steps, the worker must promptly initiate a PAFD fraud referral upon determining that a referral is needed to deny, or discontinue LIHP benefits to which the applicant/enrollee was not entitled.

Referral Attachments

Appropriate documents necessary for the investigation must be submitted with the fraud referral.

Referral Rejected

A referral rejected by PAFD is not the end of the process when the need for an investigation still exists. The response from PAFD will indicate the reason for rejecting the referral. The worker must promptly take the necessary actions to correct the reason for the rejected referral and immediately initiate a new referral to PAFD.

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**A.10.01G Fraud Specialist Role**

If fraud exists, the LIHP Fraud Specialist determines whether an overpayment has occurred. A repayment plan for the enrollee to recover the amount for all services paid by LIHP on their behalf will be set up.

LIHP-31 Repayment Notice of Action (NOA)

This NOA has been created for the LIHP Fraud Specialist to inform the enrollee of the information received and the repayment amount of all claims paid by LIHP.

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**A.10.01H Manual PAFD**

The Manual PAFD Fraud Referral form must be used to initiate all LIHP fraud referrals. The form is available the CMS IT System

**Fraud Referral Form**

(AuthMed) for printing. Refer to MPG Article B for instructions on how to complete the form.

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**A.10.01I PAFD Referral Initiated**

The steps for initiating a PAFD referral are as follows:

| Step | Who | Action |
|---|---|---|
| 1 | Referring Worker | • Completes the Manual PAFD Fraud Referral form located in the CMS IT System (AuthMed) under the **FORMS** tab (*refer to MPG Article B for instructions on how to complete the form*);<br>• Images the fraud referral form, any required screen shots, and supporting documents into DoReS; and<br>• Forwards the fraud referral form, any required screen shots, and supporting documents to the FRC PAFD Liaison. |
| 2 | FRC PAFD Liaison | • Reviews the fraud referral and supporting documentation; and<br>• Emails the fraud referral and supporting documentation to the PAFD Supervisor. |
| 3 | PAFD Supervisor | • Reviews, accepts, and assigns the fraud referral to an investigator to perform and complete the investigation within 10 business days from the date of the referral; or<br>• Rejects and emails back the fraud referral to the FRC PAFD Liaison within 1 business day from the date of the referral. The response will indicate the reason for rejecting the referral. |

**NOTE:** A referral rejected by PAFD is not the end of the process when the need for an investigation still exists. The worker must promptly take the necessary actions to correct the reason for the rejected referral and immediately initiate a new referral.

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**A.10.01J PAFD Investigation Results**

The steps for the PAFD investigation results received are as follows:

| Step | Who | Action |
|---|---|---|

**Received**

<table>
<tr><td>1</td><td>PAFD Supervisor</td><td>Emails the investigation results to the FRC PAFD Liaison within 1 business day of receiving the results from the investigator.</td></tr>
<tr><td>2</td><td>FRC PAFD Liaison</td><td>Forwards the investigation results to the referring worker to take action within 1 business day of receiving the investigation results.</td></tr>
<tr><td>3</td><td rowspan="2">Referring Worker</td><td>Reviews the result of the PAFD investigation.<br><table>
<tr><th>If fraud…</th><th>Then the worker…</th></tr>
<tr><td>does NOT exist,</td><td>• Images the PAFD referral form into DoReS;<br>• Documents the results of the investigation; and<br>• Proceeds to Step 4.</td></tr>
<tr><td>exists,</td><td>• Completes Section 3 of the fraud referral form;<br>• Images the fraud referral form into DoReS;<br>• Documents the results of the investigation;<br>• Forwards the completed fraud referral form and any supporting documents to the FRC PAFD Liaison; and<br>• Proceeds to Step 4.</td></tr>
</table></td></tr>
<tr><td>4</td><td>• Approves/denies or discontinues LIHP; and<br>• Issues the appropriate LIHP NOA.</td></tr>
<tr><td>5</td><td>FRC PAFD Liaison</td><td>• Emails a copy of the completed fraud referral form to the PAFD Supervisor; and<br>• Forwards the completed referral form and any supporting documents to the LIHP Fraud Specialist at MS W414 to determine if an overpayment exists.</td></tr>
</table>

**NOTE**: Unresolved issues between worker and investigator will be discussed between the FRC PAFD Liaison and PAFD Supervisor. If the FRC PAFD Liaison and PAFD Supervisor cannot resolve the issue, the chain of command will be used.

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**A.10.01K PAFD Referral**

The DA's office will be responsible for maintaining a fraud referral data system that collects and tracks the number and outcome of all LIHP

**Data System**

fraud referrals received. This data shall be provided to HHSA upon request.

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**A.10.01L Repayment Process**

When an overpayment has occurred, the LIHP Fraud Specialist will:

| Step | Action |
|---|---|
| 1 | Send a request to the ASO for a listing of all claims paid by LIHP on the enrollee's behalf. |
| 2 | Compute the amount of the overpayment and sends the repayment notice (LIHP-31) to the enrollee. |
| 3 | Enter a comment in the **Member Alerts** tab of the CMS IT System (AuthMed). |
| 4 | Recompute the overpayment amount after allowing time for providers to submit claims for payment. |
| 5 | Initiate appropriate collection activities to recover all LIHP costs from the enrollee. |

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# LIHP Manual PAFD Fraud Referral Form Completion Instructions

**The Manual PAFD Fraud Referral form must include the following items for the LIHP fraud investigation process:**

| Item | Content |
|---|---|
| 1 | Enter the application date. |
| 2 | Check the appropriate box for case status. |
| | |

| Item | Section 1 (To be Completed by Worker) |
|---|---|
| 3 | Enter the worker's name. |
| 4 | Enter the worker number, phone number and referral date. |
| 5 | Enter the applicant's/enrollee's case name and member ID number. |
| 6 | Enter the applicant's/enrollee's address and phone number. |
| 7 | Choose from one of the following allegations:<br>• Residence is questionable<br>• Unreported household members are living in the home<br>• Unreported income is received<br>• Expenses exceed income<br>• Documentation submitted appears to have been altered or is apparently counterfeit |
| 8 | Check the "LIHP" box. |
| 9 | Indicate the reason why fraud is suspected and what action was taken to resolve the discrepancy before referring to PAFD. Include any attachments or supporting documents. |
| | |

| Item | Section 3 (To be Completed by Worker)<br>*ONLY TO BE COMPLETED ON "ACTIONABLE" DISPOSITION* |
|---|---|
| 10 | Enter the worker's name, phone number and date action taken. |
| 11 | Check the:<br>• "Fraud Found No Adverse $ impact" box for a pending LIHP case; or<br>• "Benefits Discontinued" box for an active LIHP case. |
| 12 | Indicate if LIHP benefits were denied or discontinued. |
| | |

**County of San Diego**
**Office of the District Attorney**
**Public Assistance Fraud Division**

Date of Referral: _____
Case Status: ☐ Pending ☐ Active

## Manual PAFD Fraud Referral

| **Section 1 (To be completed by Worker.)** | | |
|---|---|---|
| ***From:*** | | |
| ***Worker #:*** | ***Phone #:*** | ***Date:*** |
| ***Case Name:*** | | ***Case #:*** |
| ***Address:*** | | ***Phone #:*** |
| ***Allegation:*** | | |
| ***Aid Program:*** ☐ LIHP | | |
| ***Details:*** | | |

| **Section 2 (To be completed by Investigator.)** | | |
|---|---|---|
| ***From:*** | ***Phone #:*** | ***Date:*** |
| ***Disposition:*** ☐ Allegation Unfounded ☐ Insufficient Evidence ☐ Actionable | | |
| ***Investigator's Results:*** | | |

| **Section 3 (To be completed by Worker.)** | | |
|---|---|---|
| ***From:*** | ***Phone #:*** | ***Date:*** |
| ***Disposition:*** ☐ Allegation Unfounded ☐ Insufficient Evidence ☐ Fraud Found No Adverse $ Impact ☐ Benefits Reduced ☐ Benefits Discontinued | | |
| ***Worker's Response:*** | | |

SAMPLE

# LOW INCOME HEALTH PROGRAM
# NOTICE OF ACTION

Date: ______________________________

______________________________
______________________________
______________________________

LIHP PROGRAM (MS: 0557A)
P. O. BOX 85222
SAN DIEGO, CA 92186-5222

Dear __________________________: Member ID # :__________________

Based upon information reported to the Low Income Health Program (LIHP) you were not eligible to receive coverage for medical services from LIHP because: ______________________________________________
______________________________________________________________________________________
______________________________________________________________________________________.

Attached is a list of providers who received payment from LIHP and the amount LIHP paid. The amount that you must pay back LIHP is $____________.

To discuss a manageable payment schedule, please contact the County in writing or send check/money order for $_________ made payable to the **Low Income Health Program** to:

Low Income Health Program (MS: 0557A)
Attn: Repayment Department
P.O. Box 85524
San Diego, CA 92186-5524

If you disagree with this action, you have the right to request a Grievance or Appeal. You must request your grievance within sixty (60) calendar days of the incident giving rise to the grievance. You must request your appeal within sixty (60) calendar days of date of this notice. You may request a grievance or appeal by writing to or calling (collect calls accepted):

SAN DIEGO COUNTY HEALTH AND HUMAN SERVICES AGENCY
APPEALS SECTION-GR/CMS CALENDAR CLERK
1255 IMPERIAL AVE, SUITE 300
SAN DIEGO, CA 92101
PHONE: (619) 237-8534

The Consumer Center for Health Education and Advocacy may be able to offer you free advice on how to Handle your request for a review. For more information, call 1-877-734-3258 (toll free).

Sincerely,

______________________________

Low Income Health Program

SAMPLE

# LOW INCOME HEALTH PROGRAM
# AVISO DE ACCIÓN

Fecha: ____________________________________

____________________________________

____________________________________

____________________________________

LIHP (MS: 0557A)
P. O. BOX 85222
SAN DIEGO, CA 92186-5222

Estimado/a __________________________: No. de Miembro: ______________________

Basado a información recibida por el programa Low Income Health Program (LIHP, por sus siglas en inglés), usted no fue elegible para recibir servicios médicos del programa LIHP porque:______________________
__________________________________________________________________________________________.

Adjunto a esta carta, encontrará una lista de los proveedores que recibieron un pago del programa LIHP y la cantidad que LIHP pago. La cantidad que usted tiene que rembolsar al programa LIHP es $____________.

Para hablar sobre cómo hacer pagos manejables, por favor de ponerse en contacto con el Condado por escrito o mande su cheque/giro postal por $____________ a nombre del programa **Low Income Health Program** a:

Low Income Health Program (MS: 0557A)
Attn: Repayment Department
P.O. Box 85524
San Diego, CA 92186-5524

Si usted no está de acuerdo con esta decisión, tiene el derecho de solicitar una Queja o una Audiencia. Debe solicitar su queja dentro de sesenta (60) días consecutivos de la fecha del incidente que causo el motivo de su queja. Debe solicitar la audiencia dentro de sesenta (60) días consecutivos de la fecha de este aviso. Puede solicitar dicha queja o audiencia por escrito o llamando a (se acepta llamadas por cobrar):

SAN DIEGO COUNTY HEALTH AND HUMAN SERVICES AGENCY
APPEALS SECTION-GR/CMS CALENDAR CLERK
1255 IMPERIAL AVE, SUITE 300
SAN DIEGO, CA 92101
TELÉFONO: (619) 237-8534

El Centro del Consumidor Para Educación Sobre La Salud y Defensa de Sus Derechos puede darle información gratuita de cómo llevar acabo su apelación. Para más información, llame al 1-877-734-3258.

Sinceramente,

____________________________________
Low Income Health Program

SAMPLE