



## HMS Advisory Services

# Managed Care Insights: How the Final Rule Impacts Program Integrity

### Background

On April 25, 2016, the Centers for Medicare & Medicaid Services (CMS) released the Medicaid managed care final regulations. At 1,200 pages, it includes many new and complex program integrity requirements that are intended to:

- Align managed care policies with those of other health insurance coverage programs
- Modernize how states purchase health benefits for managed care members, and
- Strengthen the consumer experience

**An estimated 10% of Medicaid beneficiaries have access to other sources of private insurance.**

The final rule introduces a host of new complexities for states and managed care organizations alike. Failure to comply with the new regulation may result in an array of consequences, including financial penalties, negative state and federal audit findings, increased oversight, and more.

HMS partners with 45 Medicaid agencies and 240 managed care plans to perform high-impact program integrity and coordination of benefits (COB) services. With access to eligibility and claim data, we have unique insight into the ways in which you can meet the challenges within the Medicaid managed care regulation and maximize the opportunities.

### Challenges: Medicaid

Prior to the final rule, many Medicaid agencies experienced significant challenges in ensuring an appropriate division of labor between Medicaid, other state agencies, and MCO program integrity efforts in an MCO environment. States have long struggled with actually monitoring MCO program integrity activities in a meaningful way. For example, states may lack the minimum data needed for oversight; they often have disparate systems and personnel collecting MCO reports; and MCO reports are often not substantively reviewed and instead simply considered compliant by timely reporting.

The CMS final rule adds a substantial number of additional obligations to state oversight requirements. At the same time, the final regulation grants significant latitude to states to design a market-specific approach to program integrity. With nearly 70% of Medicaid lives capitated, states have a responsibility to oversee these dollars. Without a strong Medicaid oversight program, states have no way of ensuring efficient and proper use of taxpayer funds.

### Challenges: MCOs

Prior to the final rule, states have leveraged a wide degree of program integrity models, leaving little room for MCOs operating across multiple states to develop streamlined, cost effective, compliant models. States and MCOs alike have a host of new program integrity requirements resulting from the final Medicaid managed care regulation. Solution: HMS Advisory Services.

## Who benefits?

State Medicaid agencies and Medicaid managed care plans seeking to develop a sound, cost-effective, yet robust approach to the program integrity options and requirements in the Final Rule will benefit.

## How does it work?

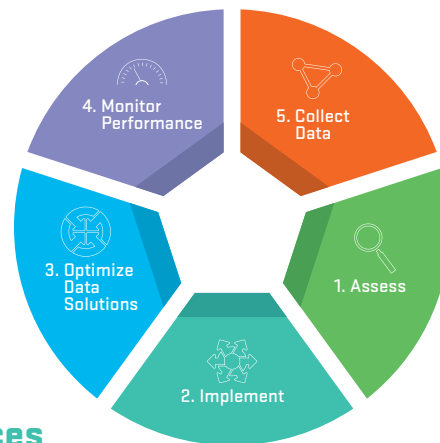
With your goals and objectives in mind, we develop program integrity models that ensure compliance with federal requirements and provide recommendations on the optional program integrity provisions contained within the final regulation. All recommendations will promote coordination, collaboration and transparency, maximize results and optimize your business. In addition to end-to-end program design (including reporting and measurements), we will provide the statutory, regulatory and contractual language needed to go forward with all recommendations. Finally, we are available to train program integrity staff on their new roles and responsibilities.

## Why do you need it?

Our evaluation ensures compliance with the final rule, improves your collaboration and communication with other stakeholders in the program integrity ecosystem, and drives the highest return on your investment in program integrity.

## What's the process?

HMS will conduct the steps outlined in the adjacent graphic over 90 days.



## About HMS Advisory Services

Our customers have continually called on us for professional advice in dealing with the challenges presented by healthcare reform—and most recently the Medicaid Managed Care Final Rule. We leverage HMS's significant and broad Medicaid experience to help customers develop innovative and long-term solutions for optimizing their operations. HMS has practical experience working with all stakeholders impacted by the Final Rule, including CMS, state Medicaid agencies, MCOs, and providers. We have the data, technology, and experience to customize a solution that meets the specific needs of your organization—without the need for a multiyear consulting arrangement. No other company has the practical and relevant qualifications to help you achieve the results you need.

**For more information, contact Kim Glenn, Principal, [kglenn@hms.com](mailto:kglenn@hms.com), or Donna Price, Principal, [donna.price@hms.com](mailto:donna.price@hms.com), at HMS Advisory Services.**

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Enterprising healthcare

HMS provides the broadest range of cost containment solutions in healthcare to help payers improve performance. Using innovative and time-tested technology and analytics, we prevent and recover improper payments related to fraud, waste, and abuse. As a result of our services, customers recoup billions of dollars every year and save billions more through the prevention of erroneous payments.