



COLORADO
Department of Health Care
Policy & Financing

January 15, 2015

The Honorable Daniel Kagan, Chair
Judiciary Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative Kagan:

Enclosed please find a legislative report to the House Judiciary from the Department of Health Care Policy and Financing (Department) on Improving Medicaid Fraud Prosecution.

Colorado Revised Statute 25.5-1-115.5 requires the Department to report on fraud investigations by the County Departments of Social Services by January 15th annually.

The statute requires counties to report the number of client fraud investigations per calendar year, District Attorney actions, and recovery information including fines, penalties and restitution.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Zach Lynkiewicz, at Zach.Lynkiewicz@state.co.us or 720-854-9882.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Susan E. Birch', is written over a horizontal line.

Susan E. Birch, MBA, BSN, RN
Executive Director

SEB/jp

Enclosure(s): Improving Medicaid Fraud Prosecution



Cc: Representative Pete Lee, Vice-Chair, Judiciary Committee
Representative John Buckner, Judiciary Committee
Representative Lois Court, Judiciary Committee
Representative Mike Foote, Judiciary Committee
Representative Brittany Pettersen, Judiciary Committee
Representative Joe Salazar, Judiciary Committee
Representative Polly Lawrence, Judiciary Committee
Representative Terri Carver, Judiciary Committee
Representative Tim Dore, Judiciary Committee
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Representative Kevin Van Winkle, Judiciary Committee
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John Bartholomew, Finance Office Director, HCPF
Gretchen Hammer, Health Programs Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF





COLORADO

Department of Health Care
Policy & Financing

**Fraud Investigations and Referrals
SFY 2013-14 Report
In Compliance with C.R.S Section 25.5-1-115.5**

January 15, 2015

SUMMARY

The Department of Health Care Policy and Financing (Department) presents this medical assistance client fraud report with respect to its compliance with requirement for Senate Bill 12-060, as stipulated in Section 25.5-1-115.5, C.R.S.

This report is based on information requested in the statute and was compiled by the Department from the 64 counties. Each county's self-reported information is in Appendix A. Overall totals include:

- 2,067 investigations of client fraud during the fiscal year
- 308 termination of services of client Medicaid benefits due to fraud
- Number of District Attorney actions:
 - 41 criminal complaints requested
 - 2 cases dismissed
 - No cases acquitted
 - 29 convictions
 - 20 confessions of judgment
- \$906,736.02 dollar amount of fraud identified as reported by the counties
- \$34,257.30 fines and penalties recovered and retained by Counties
- Amount of Restitution
 - \$352,980.45 ordered
 - \$195,193.38 collected

Trends observed during fraud investigations as reported by the counties are noted below:

- Most cases are due to unreported income or resources and household members; some involve clients leaving the state without reporting the move. Other cases involve residency and forged documents. In order to address these concerns voiced by the counties as listed above, the Department has been utilizing the Public Assistance Reporting Information System to determine if clients are receiving benefits in other states and the Income Eligibility Verification System to verify income of applicants.
- Counties express concern about the high number of new clients applying through the online PEAK website due to the Affordable Care Act. This potentially leads to higher numbers of client fraud due to self-reported information such as household composition, age, and residency not being verified at the on line real time eligibility determination. Self-reported information such as citizenship, income and social security number are required to be verified through interfaces with other systems.

Appendix A

The information below regarding medical assistance client fraud is presented in compliance with the requirement stipulated in Section 25.5-1-115.5, C.R.S. All information except Total Client Count is self-reported by each county for SFY 2013-14.

County	Total Client Count	Cases Investigated By County					Criminal Complaint Requested	Dismiss	Acquit	Conviction	Confession of Judgments	Recoveries	Fines and Penalties	Restitution Ordered	Restitution Collected	Termination
		Investigated	By	County	Request	Count										
Adams	119,570	3	2	0	0	2	2	0	0	2	\$ 6,298.00	\$ -	\$ -	\$ -	0	
Alamosa	6,344	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Arapahoe	115,712	33	1	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	2	
Archuleta	2,596	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Baca	1,062	2	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Bent	1,709	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Boulder	41,318	196	2	1	0	1	0	0	1	0	\$141,991.38	\$ -	\$ 14,860.18	\$ 344.00	15	
Broomfield	5,722	1	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Chaffee	3,398	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Cheyenne	364	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Clear Creek	1,347	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Conejos	3,268	4	0	0	0	0	0	0	0	4	\$ 5,360.00	\$ -	\$ -	\$ -	4	
Costilla	1,635	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Crowley	1,266	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Custer	777	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Delta	7,708	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Denver	172,434	281	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Dolores	497	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Douglas	19,278	71	1	0	0	3	0	0	3	0	\$ 33,273.10	\$ -	\$ 42,679.27	\$ 33,273.10	4	
Eagle	6,033	5	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Elbert	2,482	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
El Paso	131,052	5	5	0	0	7	0	0	7	0	\$ 32,610.65	\$ 6,830.80	\$ 79,759.95	\$ 33,526.00	0	
Fremont	10,939	1	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Garfield	11,486	8	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Gilpin	884	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Grand	1,819	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Gunnison	2,592	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Hinsdale	171	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Huerfano	2,340	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Jackson	294	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Jefferson	79,816	131	5	0	0	1	0	0	1	1	\$ 71,468.62	\$ 338.50	\$ 13,384.20	\$ 19,211.32	0	
Kiowa	399	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
Kit Carson	1,682	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0	
La Plata	8,670	3	1	0	0	0	0	0	0	0	\$ 1,093.00	\$ -	\$ -	\$ -	0	

Appendix A

County	Total Client Count	Cases Investigated By County	Criminal Complaint Requested	Dismiss	Acquit	Conviction	Confession of Judgments	Recoveries	Fines and Penalties	Restitution Ordered	Restitution Collected	Termination
Lake	1,767	25	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	5
Larimer	51,398	429	1	0	0	0	0	\$ 746.60	\$ -	\$ -	\$ 4,510.73	67
Las Animas	4,587	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Lincoln	1,180	2	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Logan	4,386	28	1	0	1	1	1	\$ 29,319.65	\$ -	\$ 29,319.65	\$ -	3
Mesa	35,259	77	3	0	2	2	2	\$ 16,963.29	\$ -	\$ 9,390.67	\$ -	3
Mineral	119	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Moffat	3,181	7	3	1	0	2	0	\$ 5,476.48	\$ -	\$ -	\$ 1,005.00	0
Montezuma	7,468	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Montrose	10,887	2	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Morgan	7,160	151	0	0	0	0	0	\$ 42,267.40	\$ -	\$ -	\$ -	5
Otero	7,045	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Ouray	718	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Park	2,402	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Phillips	954	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Pitkin	1,140	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Prowers	4,631	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Pueblo	54,812	115	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Rio Blanco	1,163	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Rio Grande	4,482	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Routt	3,068	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Saguache	2,440	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
San Juan	146	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
San Miguel	1,157	9	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Sedgwick	574	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Summit	3,119	2	1	0	0	0	0	\$ 12,161.36	\$ -	\$ -	\$ -	2
Teller	4,159	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Washington	899	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Weld	58,172	475	15	0	10	10	10	\$ 507,706.49	\$ 27,088.00	\$ 163,586.53	\$ 103,323.23	198
Yuma	2,281	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
TOTALS	1,047,418	2,067	41	2	0	29	20	\$906,736.02	\$34,257.30	\$352,980.45	\$ 195,193.38	308

* Caseload data taken from Budget report, Medicaid Client Caseload by County, for Month ending 6/30/2014.

The above totals except Medicaid caseload are self-reported by the counties. Some counties state they do not have resources to pursue suspected fraud cases and others state they have difficulty bringing cases to prosecution.