



COLORADO
Department of Health Care
Policy & Financing

Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

January 15, 2016

The Honorable Beth McCann, Chair
Health, Insurance, and Environment Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative McCann:

Enclosed please find the Department of Health Care Policy and Financing's legislative report on improving Medicaid fraud prosecution to the House Health, Insurance, and Environment Committee.

Section 25.5-1-115.5, C.R.S., requires the Department to submit a written report by January 15 of each year regarding Medicaid fraud prosecution that includes:

- a) Investigations of client fraud during the year;
- b) Termination of client benefits due to fraud;
- c) Recoveries, including fines and penalties, restitution ordered and collected; and
- d) Trends in methods used to commit client fraud, excluding law-enforcement sensitive information.

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 black ink that reads "Susan E. Birch".

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

SEB/pep

Enclosure(s): 2016 Improving Medicaid Fraud Prosecution Annual Report



Cc: Representative Joann Ginal, Vice Chair, Health, Insurance and Environment Committee
Representative J. Paul Brown, Health, Insurance and Environment Committee
Representative Janet Buckner, Health, Insurance and Environment Committee
Representative Daneya Esgar, Health, Insurance and Environment Committee
Representative Steve Humphrey, Health, Insurance and Environment Committee
Representative Janak Joshi, Health, Insurance and Environment Committee
Representative Gordon Klingenschmitt, Health, Insurance and Environment Committee
Representative Lois Landgraf, Health, Insurance and Environment Committee
Representative Susan Lontine, Health, Insurance and Environment Committee
Representative Dianne Primavera, Health, Insurance and Environment Committee
Representative Kim Ransom, Health, Insurance and Environment Committee
Representative Su Ryden, Health, Insurance and Environment Committee
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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





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January 15, 2016

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

Dear Representative Kagan:

Enclosed please find the Department of Health Care Policy and Financing's legislative report on improving Medicaid fraud prosecution to the House Judiciary Committee.

Section 25.5-1-115.5, C.R.S., requires the Department to submit a written report by January 15 of each year regarding Medicaid fraud prosecution that includes:

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Enclosure(s): 2016 Improving Medicaid Fraud Prosecution Annual Report



Cc: Representative Pete Lee, Vice-Chair, Judiciary Committee
Representative Terri Carver, Judiciary Committee
Representative Lois Court, Judiciary Committee
Representative Tim Dore, Judiciary Committee
Representative Mike Foote, Judiciary Committee
Representative Polly Lawrence, Judiciary Committee
Representative Paul Lundeen, Judiciary Committee
Representative Jovan Melton, Judiciary Committee
Representative Joe Salazar, Judiciary Committee
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January 15, 2016

The Honorable Dianne Primavera, Chair
Public Health Care and Human Services Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative Primavera:

Enclosed please find the Department of Health Care Policy and Financing's legislative report on improving Medicaid fraud prosecution to the House Public Health Care and Human Services Committee.

Section 25.5-1-115.5, C.R.S., requires the Department to submit a written report by January 15 of each year regarding Medicaid fraud prosecution that includes:

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Executive Director

SEB/pep

Enclosure(s): 2016 Improving Medicaid Fraud Prosecution Annual Report



Cc: Representative Jonathan Singer, Vice-Chair, Public Health Care and Human Services Committee
Representative Jessie Danielson, Public Health Care and Human Services Committee
Representative Joann Ginal, Public Health Care and Human Services Committee
Representative Dominick Moreno, Public Health Care and Human Services Committee
Representative Brittany Pettersen, Public Health Care and Human Services Committee
Representative Max Tyler, Public Health Care and Human Services Committee
Representative Lois Landgraf, Public Health Care and Human Services Committee
Representative Kathleen Conti, Public Health Care and Human Services Committee
Representative Justin Everett, Public Health Care and Human Services Committee
Representative Janak Joshi, Public Health Care and Human Services Committee
Representative JoAnn Windholz, Public Health Care and Human Services Committee
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January 15, 2016

The Honorable Kevin Lundberg, Chair
Health and Human Services Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Senator Lundberg:

Enclosed please find the Department of Health Care Policy and Financing's legislative report on improving Medicaid fraud prosecution to the Senate Health and Human Services Committee.

Section 25.5-1-115.5, C.R.S., requires the Department to submit a written report by January 15 of each year regarding Medicaid fraud prosecution that includes:

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Enclosure(s): 2016 Improving Medicaid Fraud Prosecution Annual Report



Cc: Senator Larry Crowder, Vice-Chair, Health and Human Services Committee
Senator Beth Martinez Humenik, Health and Human Services Committee
Senator Irene Aguilar, Health and Human Services Committee
Senator Linda Newell, Health and Human Services Committee
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Policy & Financing

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1570 Grant Street
Denver, CO 80203

January 15, 2016

The Honorable Ellen Roberts, Chair
Senate Judiciary Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Senator Roberts:

Enclosed please find the Department of Health Care Policy and Financing's legislative report on improving Medicaid fraud prosecution to the Senate Judiciary Committee.

Section 25.5-1-115.5, C.R.S., requires the Department to submit a written report by January 15 of each year regarding Medicaid fraud prosecution that includes:

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Enclosure(s): 2016 Improving Medicaid Fraud Prosecution Annual Report



Cc: Senator Kevin Lundberg, Vice-Chair, Judiciary Committee
Senator Irene Aguilar, Judiciary Committee
Senator John Cooke, Judiciary Committee
Senator Michael Merrifield, Judiciary Committee
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Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF



Improving Medicaid Fraud Prosecution

As required by Section 25.5-1-115.5, C.R.S.

January 15, 2016

Submitted to:

House Health, Insurance, and Environment Committee
House Judiciary Committee
House Public Health Care and Human Services Committee
Senate Health and Human Services Committee
Senate Judiciary Committee



COLORADO
Department of Health Care
Policy & Financing

Summary

Section 25.5-1-115.5, C.R.S., requires the Department of Health Care Policy and Financing to submit a written report by January 15 of each year regarding Medicaid fraud prosecution that includes:

- Investigations of client fraud during the year;
- Termination of client benefits due to fraud;
- Recoveries, including fines and penalties, restitution ordered and collected; and
- Trends in methods used to commit client fraud, excluding law-enforcement sensitive information.

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:

- 2,468 investigations of client fraud during the fiscal year
- 192 termination of services of client Medicaid benefits due to fraud
- Number of District Attorney actions:
 - ✓ 60 criminal complaints requested
 - ✓ No cases dismissed
 - ✓ No cases acquitted
 - ✓ 27 convictions
 - ✓ 20 confessions of judgment
- \$1,025,657.29 of fraud identified as reported by the counties
- \$28,980.25 fines and penalties recovered and retained by counties
- Amount of Restitution:
 - ✓ \$278,467.20 ordered



✓ \$154,577.87 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.
- 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 not being verified at the online real time eligibility determination.
- 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. To verify income of applicants, the Department has been utilizing the Colorado Department of Labor and Employment interface as its Income Eligibility Verification System to verify earned income and unemployment. The Beneficiary & Earnings Data Exchange System (BENDEX) is used to verify social security income.



Appendix A

The information presented below regarding medical assistance client fraud is presented in compliance with the requirement stipulated in Section 25.5-1-115.5, C.R.S. This information is self-reported by each county.

County	*Total client case count	Case Investigated by County	Criminal Complaints Requested	Dismissed	Acquitted	Convictions	Confession of Judgements	Recoveries	Fines and penalties	Restitution ordered	Restitution collected	Terminations
Adams	140,390	2	2	0	0	2	0	\$ 9,540.61	\$ -	\$ -	\$ -	0
Alamosa	7,130	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Arapahoe	135,455	51	2	0	0	1	0	\$ 68,262.48	\$ -	\$ -	\$ -	0
Archuleta	3,230	1	1	0	0	0	0	\$ -	\$ -	\$ -	\$ -	1
Baca	1,210	6	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Bent	1,859	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Boulder	49,336	239	1	0	0	0	0	\$ 34,740.18	\$ -	\$ -	\$ -	2
Broomfield	7,070	2	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Chaffee	3,859	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Cheyenne	448	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Clear Creek	1,657	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Conejos	3,474	4	2	0	0	0	0	\$ -	\$ -	\$ -	\$ -	4
Costilla	1,905	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Crowley	1,422	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Custer	882	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Delta	9,252	10	1	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Denver	200,049	651	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Dolores	546	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Douglas	24,276	104	1	0	0	2	0	\$ -	\$ -	\$ 26,929.31	\$ -	0
Eagle	7,354	42	3	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Elbert	2,925	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
El Paso	163,220	6	2	0	0	1	1	\$ 14,587.00	\$ -	\$ -	\$ 77,747.00	2

The above totals for Medicaid caseloads 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.

*Source of all caseload data provided is the MMIS data warehouse table Client Monthly Reports Data. Provided by Colorado Department of Health Care Policy and Finance Data Analysis Section

Appendix A

The information presented below regarding medical assistance client fraud is presented in compliance with the requirement stipulated in Section 25.5-1-115.5, C.R.S. This information is self-reported by each county.

Fremont	12,694	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Garfield	13,744	49	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Gilpin	1,044	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Grand	2,255	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0

County	Total client case count	Case Investigated by County	Criminal Complaints Requested	Dismissed	Acquitted	Convictions	Confession of Judgements	Recoveries	Fines and penalties	Restitution ordered	Restitution collected	Terminations
Gunnison	3,148	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Hinsdale	159	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Huerfano	2,672	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Jackson	314	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Jefferson	95,044	252	18	0	0	6	6	\$ 198,038.57	\$ 5,973.50	\$ 49,614.21	\$ 3,141.18	27
Kiowa	393	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Kit Carson	1,931	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
La Plata	10,638	0	0	0	0	0	0	\$ 884.34	\$ -	\$ -	\$ -	0
Lake	1,990	3	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	3
Larimer	61,668	502	5	0	0	2	0	\$ 1,315.34	\$ -	\$ 2,070.49	\$ 1,033.29	7
Las Animas	5,196	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Lincoln	1,286	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Logan	4,868	59	1	0	0	0	0	\$ -	\$ -	\$ -	\$ -	6
Mesa	42,442	7	7	0	0	2	2	\$ 38,010.85	\$ -	\$ 5,355.15	\$ 87.86	2
Mineral	149	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Moffat	3,681	4	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Montezuma	8,786	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Montrose	12,438	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Morgan	8,308	12	0	0	0	0	0	\$ 44,125.13	\$ -	\$ -	\$ -	8

The above totals for Medicaid caseloads 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.

*Source of all caseload data provided is the MMIS data warehouse table Client Monthly Reports Data. Provided by Colorado Department of Health Care Policy and Finance Data Analysis Section

Appendix A

The information presented below regarding medical assistance client fraud is presented in compliance with the requirement stipulated in Section 25.5-1-115.5, C.R.S. This information is self-reported by each county.

Otero	7,727	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Ouray	819	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Park	2,972	1	1	0	0	1	1	\$ 1,151.03	\$ 1,648.50	\$ 2,984.03	\$ -	0
Phillips	1,083	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Pitkin	1,513	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Prowers	5,055	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Pueblo	64,427	46	0	0	0	0	0	\$ -	\$ 11,962.25	\$ -	\$ -	9
County	Total client case count	Case Investigated by County	Criminal Complaints Requested	Dismissed	Acquitted	Convictions	Confession of Judgements	Recoveries	Fines and penalties	Restitution ordered	Restitution collected	Terminations
Rio Blanco	1,222	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Rio Grande	4,841	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Routt	3,830	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Saguache	2,752	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
San Juan	183	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
San Miguel	1,317	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Sedgwick	731	6	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Summit	4,108	3	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	3
Teller	5,051	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Washington	1,072	6	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Weld	68,274	397	13	0	0	10	10	\$ 615,001.76	\$ 9,396.00	\$ 191,514.01	\$ 72,568.54	118
Yuma	2,552	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Totals	1,241,056	2468	60	0	0	27	20	\$ 1,025,657.29	\$ 28,980.25	\$ 278,467.20	\$ 154,577.87	192

The above totals for Medicaid caseloads 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.

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