



COLORADO
Department of Health Care
Policy & Financing

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

January 15, 2017

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

Dear Representative Ginal:

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): 2017 Improving Medicaid Fraud Prosecution Annual Report



Cc: Representative Daneya Esgar, Vice Chair, Health, Insurance and Environment Committee
Representative Susan Beckman, Health, Insurance and Environment Committee
Representative Janet Buckner, Health, Insurance and Environment Committee
Representative Phil Covarrubias, Health, Insurance and Environment Committee
Representative Steve Humphrey, Health, Insurance and Environment Committee
Representative Dominique Jackson, Health, Insurance and Environment Committee
Representative Chris Kennedy, Health, Insurance and Environment Committee
Representative Lois Landgraf, Health, Insurance and Environment Committee
Representative Susan Lontine, Health, Insurance and Environment Committee
Representative Kim Ransom, Health, Insurance and Environment Committee
Legislative Council Library
State Library
John Bartholomew, Finance Office Director, HCPF
Gretchen Hammer, Health Programs Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF





COLORADO
Department of Health Care
Policy & Financing

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

January 15, 2017

The Honorable Pete Lee, Chair
Judiciary Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative Lee:

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:

- 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): 2017 Improving Medicaid Fraud Prosecution Annual Report



Cc: Representative Joe Salazar, Vice-Chair, Judiciary Committee
Representative Adrienne Benavidez, Judiciary Committee
Representative Terri Carver, Judiciary Committee
Representative Mike Foote, Judiciary Committee
Representative Leslie Herod, Judiciary Committee
Representative Paul Lundeen, Judiciary Committee
Representative Jovan Melton, Judiciary Committee
Representative Mike Weissman, Judiciary Committee
Representative Yeulin Willett, Judiciary Committee
Representative Cole Wist, Judiciary Committee
Legislative Council Library
State Library
John Bartholomew, Finance Office Director, HCPF
Gretchen Hammer, Health Programs Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF





COLORADO
Department of Health Care
Policy & Financing

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

January 15, 2017

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

Dear Representative Singer:

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

- 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): 2017 Improving Medicaid Fraud Prosecution Annual Report



Cc: Representative Jessie Danielson, Vice-Chair, Public Health Care and Human Services Committee
Representative Don Coram, Public Health Care and Human Services Committee
Representative Justin Everett, Public Health Care and Human Services Committee
Representative Joann Ginal, Public Health Care and Human Services Committee
Representative Edie Hooton, Public Health Care and Human Services Committee
Representative Lois Landgraf, Public Health Care and Human Services Committee
Representative Kimmi Lewis, Public Health Care and Human Services Committee
Representative Larry Liston, Public Health Care and Human Services Committee
Representative Dafna Michaelson Jenet, Public Health Care and Human Services Committee
Representative Dan Pabon, Public Health Care and Human Services Committee
Representative Brittany Pettersen, Public Health Care and Human Services Committee
Representative Kim Ransom, Public Health Care and Human Services Committee
Legislative Council Library
State Library
John Bartholomew, Finance Office Director, HCPF
Gretchen Hammer, Health Programs Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF





COLORADO
Department of Health Care
Policy & Financing

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

January 15, 2017

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

Dear Senator Smallwood:

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:

- 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): 2017 Improving Medicaid Fraud Prosecution Annual Report



Cc: Senator Beth Martinez Humenik, Vice-Chair, Health and Human Services Committee
Senator Irene Aguilar, Health and Human Services Committee
Senator Larry Crowder, Health and Human Services Committee
Senator John Kefalas, Health and Human Services Committee
Legislative Council Library
State Library
John Bartholomew, Finance Office Director, HCPF
Gretchen Hammer, Health Programs Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF





COLORADO
Department of Health Care
Policy & Financing

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

January 15, 2017

The Honorable Bob Gardner, Chair
Senate Judiciary Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Senator Gardner:

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:

- 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): 2017 Improving Medicaid Fraud Prosecution Annual Report



Cc: Senator John Cooke, Vice-Chair, Judiciary Committee
Senator Rhonda Fields, Judiciary Committee
Senator Daniel Kagan, Judiciary Committee
Legislative Council Library
State Library
John Bartholomew, Finance Office Director, HCPF
Gretchen Hammer, Health Programs Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
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.

Due Date January 15, 2017

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 (Department) to submit a written report by January 15 of each year regarding Medicaid fraud prosecution that includes:

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

This report is due January 15, 2017 and based on information requested in the statute. It was compiled by the Department from the 64 counties. Each county's self-reported information is in Appendix A. Overall totals include:

- 2,897 investigations of member fraud during the fiscal year
- 482 termination of services of member Medicaid benefits due to fraud
- Number of District Attorney actions:
 - ✓ 59 criminal complaints requested
 - ✓ No cases dismissed
 - ✓ No cases acquitted
 - ✓ 35 convictions
 - ✓ 27 confessions of judgment
- \$1,077,917.79 of fraud identified as reported by the counties
- \$26,748.00 fines and penalties recovered and retained by counties
- Amount of Restitution:
 - ✓ \$749,190.13 ordered
 - ✓ \$197,781.77 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 member 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 member 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	150,434	3	3	0	0	1	0	\$ 35,988.84	\$ -	\$ -	\$ -	3
Alamosa	7,449	2	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Arapahoe	144,007	5	0	0	0	0	1	\$ 40,169.30	\$ -	\$ 57,513.59	\$ -	0
Archuleta	3,600	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Baca	1,314	5	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Bent	1,944	2	2	0	0	0	0	\$ -	\$ -	\$ -	\$ -	2
Boulder	53,192	65	1	0	0	1	0	\$ 60,502.74	\$ -	\$ 20,403.71	\$ 5,000.00	3
Broomfield	7,108	14	0	0	0	0	0	\$ 4,926.70	\$ -	\$ -	\$ -	6
Chaffee	4,134	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Cheyenne	490	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Clear Creek	1,677	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Conejos	3,611	4	4	0	0	0	0	\$ 178,710.00	\$ -	\$ -	\$ -	4
Costilla	2,028	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Crowley	1,498	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Custer	927	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Delta	10,204	9	0	0	0	0	0	\$ 2,471.02	\$ -	\$ -	\$ -	1
Denver	210,544	705	1	0	0	0	0	\$ 72,708.22	\$ -	\$ -	\$ -	5
Dolores	581	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Douglas	27,065	51	2	0	0	2	2	\$ 24,468.72	\$ -	\$ 248,927.20	\$ 24,468.72	3
Eagle	7,365	15	7	0	0	4	0	\$ 121,376.63	\$ -	\$ 114,028.31	\$ 3,849.00	6
Elbert	3,206	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
El Paso	183,408	1	0	0	0	0	0.00	\$ 509.52	\$ -	\$ -	\$ 21,383.12	1

The above data 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 data for member caseload is officially published via the Department's website www.colorado.gov/hcpf under Health First Colorado Member Caseload by County Reports for Stakeholders. Provided by the Department's Data Analysis Section.

Appendix A

The information presented below regarding medical assistance member 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	13,717	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Garfield	14,098	13	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Gilpin	1,050	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Grand	2,259	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	1
Gunnison	3,449	0	0	0	0	0	0	\$ -	\$ -	\$ 66,703.00	\$ 3,509.80	0
Hinsdale	153	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Huerfano	2,955	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Jackson	318	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Jefferson	100,979	203	13	0	0	12	12	\$ 136,654.82	\$ 12,225.00	\$ 97,505.40	\$ 19,690.50	4
Kiowa	404	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Kit Carson	1,939	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	1
La Plata	11,776	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Lake	1,889	60	11	0	0	0	0	\$ -	\$ -	\$ -	\$ -	10
Larimer	65,694	1260	5	0	0	3	0	\$ 6,469.12	\$ -	\$ 8,399.36	\$ 235.57	351
Las Animas	5,651	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Lincoln	1,438	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Logan	4,871	85	1	0	0	1	1	\$ -	\$ -	\$ 38,002.65	\$ 20.00	1
Mesa	45,079	2	2	0	0	3	3	\$ 19,244.70	\$ -	\$ 25,106.33	\$ 24,437.50	0
Mineral	175	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Moffat	3,912	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Montezuma	9,439	2	2	0	0	0	0	\$ 17,992.55	\$ -	\$ -	\$ -	0
Montrose	12,868	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Morgan	8,623	1	0	0	0	0	0	\$ 2,845.74	\$ -	\$ -	\$ -	1
Otero	7,999	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Ouray	828	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Park	3,288	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0

The above data 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 data for member caseload is officially published via the Department's website www.colorado.gov/hcpf under Health First Colorado Member Caseload by County Reports for Stakeholders. Provided by the Department's Data Analysis Section.

Appendix A

The information presented below regarding medical assistance member 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.

Phillips	1,032	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Pitkin	1,621	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Prowers	5,285	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Pueblo	69,835	6	0	0	0	0	0	\$ 461.32	\$ -	\$ -	\$ -	2
Rio Blanco	1,208	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Rio Grande	4,902	1	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Routt	3,992	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Saguache	2,723	3	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
San Juan	182	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
San Miguel	1,236	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Sedgwick	739	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Summit	4,390	2	1	0	0	0	0	\$ 26,994.00	\$ -	\$ -	\$ -	1
Teller	5,703	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Washington	1,203	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Weld	73,433	373	4	0	0	8	8	\$ 325,423.85	\$ 14,523.00	\$ 72,600.58	\$ 95,187.56	76
Yuma	2,809	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	0
Totals	1,330,930	2897.00	59.00	0.00	0.00	35.00	27.00	\$ 1,077,917.79	\$ 26,748.00	\$ 749,190.13	\$ 197,781.77	482.00

The above data 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 data for member caseload is officially published via the Department's website www.colorado.gov/hcpf under Health First Colorado Member Caseload by County Reports for Stakeholders. Provided by the Department's Data Analysis Section.