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OFFICE OF
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CMS's Process for Sharing Information About Terminated Providers Needs Improvement

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EXECUTIVE SUMMARY:
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WHY WE DID THIS STUDY

The Patient Protection and Affordable Care Act (ACA) requires the Centers for Medicare & Medicaid Services (CMS) to establish a process for sharing information about terminated providers. To meet this requirement, CMS established a Web-based portal, the Medicaid and Children's Health Insurance Program State Information Sharing System (MCSIS). Sharing terminated provider data among States prevents terminated providers in one State from enrolling in another State. CMS and State agencies can submit information about providers that meet CMS's criteria for having been terminated "for cause" from Medicare, Medicaid, or the Children's Health Insurance Program (CHIP). State Medicaid agencies can use these data to identify these providers and subsequently terminate them from their Medicaid programs as required under another section of the ACA. In November 2013, subsequent to the timeframe we examined for this study, CMS revised its process for sharing information about terminated providers. The findings and recommendations in this report remain relevant to the new process.

HOW WE DID THIS STUDY

We examined all provider records contained in MCSIS as of June 1, 2013. We (1) determined the extent to which CMS and State Medicaid agencies submitted records to MCSIS; (2) identified records that did not meet CMS criteria for reporting providers terminated "for cause" from Medicare, Medicaid, or CHIP; and (3) assessed whether records had complete identifying information about providers, including National Provider Identifiers (NPIs), provider types, and provider addresses.

WHAT WE FOUND

As of June 1, 2013, MCSIS contained records on terminated providers submitted by CMS and 33 State Medicaid agencies and did not contain records from the remaining State Medicaid agencies. Contrary to CMS guidance, about one-third of the 6,439 records in MCSIS did not relate to providers terminated "for cause." Over half of MCSIS records did not contain NPIs, a critical data element for accurately identifying providers. Additionally, one-third of MCSIS records did not identify the provider types and one quarter had no provider addresses.

WHAT WE RECOMMEND

Our findings suggest that CMS's process for sharing information on terminated providers needs improvement to make it more useful to State Medicaid agencies in identifying providers that must be terminated pursuant to Federal law because they were terminated "for cause" by Medicare, Medicaid, or CHIP. Therefore, we recommend that CMS (1) require each State Medicaid agency to report all terminated providers, (2) ensure that the shared information contains only records that meet CMS's criteria for inclusion, and (3) take action to improve the completeness of records shared through the process. CMS concurred with all recommendations.

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OBJECTIVES

1. To determine the extent to which the Centers for Medicare & Medicaid Services (CMS) and State Medicaid agencies (State agencies) reported provider information to the Medicaid and Children's Health Insurance Program State Information Sharing System (MCSIS).

2. To identify MCSIS records not related to providers terminated "for cause" from Medicare, Medicaid, or the Children's Health Insurance Program (CHIP).

3. To assess the completeness of provider identifying information in MCSIS records, including National Provider Identifier (NPI), provider type, and provider address.

BACKGROUND

Section 6401(b)(2) of the Patient Protection and Affordable Care Act (ACA) requires CMS to establish a process to make available to State agencies information about individuals and entities[1] terminated from participating in the Medicare, Medicaid, or CHIP programs.[2] To meet this requirement, CMS established MCSIS, a secure Web-based portal, used for the specific purposes of storing information about terminated providers and making that information available to State Medicaid agencies.[3]

During interviews, CMS officials indicated that they expected MCSIS to be a temporary database for use while CMS developed a more permanent process for sharing data on terminated providers. In November 2013, subsequent to our data collection and analysis for this report, CMS revised the process and moved the function of sharing information about terminated providers from MCSIS to another automated system. Although this report focuses on MCSIS, its findings and recommendations are applicable to the revised process.

Section 6401(b)(2) of the ACA specifies that the process for sharing information on terminated providers must include the name of the

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[1] 76 Fed. Reg. 5862, 5943 (Feb. 2, 2011). CMS interpreted the term "individuals and entities" to include providers, suppliers, and eligible professionals. In this report, we use the term "provider" to refer to providers, suppliers, and eligible professionals.

[2] ACA, P.L. 111-148 § 6401(b)(2) (Mar. 23, 2010), as amended by the Health Care and Education Reconciliation Act of 2010, P.L. 111-152 (Mar. 30, 2010).

[3] CMS, CPI-B 11-05, *ACA Program Integrity Provisions—Guidance to States— Section 6501—Termination of Provider Participation Under Medicaid if Terminated Under Medicare or Other State Plan,* May 31, 2011.

terminated provider, the provider's NPI,[4] and other identifying information. Access to this information can assist State agencies in complying with section 6501 of the ACA, which requires State Medicaid programs to terminate participation of providers if terminated under Medicare, another State Medicaid program, or CHIP.[5, 6]

ACA Provider Termination Requirement

Section 6501 of the ACA requires that, effective January 1, 2011, each State must terminate the participation of any individual or entity from the State Medicaid program if that provider or entity's participation has been terminated from Medicare, another State Medicaid program, or CHIP.[7] Terminations occur when:

- Medicare, Medicaid, or CHIP programs revoke a provider's billing privileges,

- the provider has exhausted all applicable appeal rights or the timeline for such appeal has expired,

- there is no expectation by any party that the termination is temporary, and

- the provider would be required to reenroll to have billing privileges reinstated.[8]

The requirement for States to terminate applies only in cases when providers, suppliers, or eligible professionals were terminated or had their billing privileges revoked "for cause." "For cause" terminations, as defined by CMS in implementing regulations, means terminations or revocations of billing privileges for reasons that may include, but are not limited to, fraud, integrity, or quality.[9] "For cause" terminations do not include State program removal of inactive providers from provider enrollment files or cases when providers voluntarily end their participation

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[4] 69 Fed. Reg. 3434, 3440 (Jan. 23, 2004). The NPI is a standardized Federal unique identifier for individual and organizational health care providers. Federal regulations require an NPI for transmitting health information electronically for Medicare and Medicaid services.

[5] ACA § 6501, the Social Security Act (SSA) § 1902(a)(39), 42 U.S.C. § 1396a(a)(39).

[6] 76 Fed. Reg. 5862, 5943 (Feb. 2, 2011). Although section 6501 of the ACA does not specifically require terminations of CHIP providers, CMS included such terminations from CHIP in Federal regulations.

[7] ACA § 6501, SSA § 1902(a)(39), 42 U.S.C. § 1396a(a)(39).

[8] Ibid. 42 CFR § 455.101.

[9] 76 Fed. Reg. 5862, 5943 (Feb. 2, 2011). 42 CFR § 455.416(c). CMS, CPI-B 12-02, *ACA Program Integrity Provisions—Guidance to States—Section 6501—Termination of Provider Participation Under Medicaid if Terminated Under Medicare or Other State Plan*, January 20, 2012. CMS provided examples of "for cause" terminations, some of which are fraudulent conduct, abuse of billing privileges, misuse of billing numbers, falsification of medical records, and falsification on enrollment applications.

in the program, except when a provider takes this voluntary action to avoid a sanction, such as revocation or termination.[10]

Submitting Records to MCSIS

CMS made MCSIS available to accept submissions of records in 2011. CMS could submit records about providers terminated from Medicare, and State agencies could submit records about providers terminated from Medicaid or CHIP. CMS and State agencies could submit records by uploading or manually entering records into the database, and they could edit previously submitted records.[11] Neither Federal law nor CMS policy requires States to submit records about terminated providers to CMS. However, CMS encouraged State agencies to submit such records to MCSIS and thus make information about terminated providers available to other State agencies to facilitate compliance with section 6501 of the ACA.[12] CMS clarified to State agencies that "for cause" terminations shared with other States "should be limited to terminations based upon fraud, integrity, or quality."[13] Although CMS did not verify the information that State agencies submitted to MCSIS, it issued a *User Manual* with instructions to State agencies for submitting records to MCSIS.[14]

Using Information Contained in MCSIS

If State agencies submitted records to MCSIS as CMS encouraged them to do, other State agencies could use the information stored in MCSIS to identify providers that they must terminate from Medicaid pursuant to section 6501.[15] To obtain information, a State agency could either search MCSIS for particular providers or export the MCSIS database to conduct "matches" against the State agency's roster of providers. These data matches could identify providers by name and further verify possible matches by checking the NPI or other identifying information, such as provider type and address. The more data elements that matched, the

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[10] Ibid.

[11] CMS, CPI-B 12-02, *ACA Program Integrity Provisions—Guidance to States—Section 6501—Termination of Provider Participation Under Medicaid if Terminated Under Medicare or Other State Plan*, January 20, 2012.

[12] Section 1902(a)(41) of the SSA, 42 U.S.C. § 1396a(a)(41), requires broadly that all Medicaid State plans "provide that whenever a provider of services or any other person is terminated, suspended, or otherwise sanctioned or prohibited from participating under the State plan, the State agency shall promptly notify the Secretary and, in the case of a physician and notwithstanding paragraph (7), the State medical licensing board of such action."

[13] Ibid.

[14] CMS, *CMS Medicaid and Children's Health Insurance Program (CHIP) State Information Sharing System (MCSIS) User Manual.* Initial publication Version 1.0, January 14, 2011; Version 2.9 published June 9, 2012.

[15] 76 Fed. Reg. 5862, 5943 (Feb. 2, 2011). 42 CFR § 455.416(c).

greater the confidence a State agency could have that it identified the same provider terminated "for cause" by Medicare or another State program.

MCSIS Data Fields

MCSIS contained multiple data fields for storing information about terminated providers. These fields included the two data elements specifically required by the ACA: provider name and NPI.[16] The ACA specifically requires CMS's information-sharing process to include NPI, which is the primary provider identifier used for submitting claims to Medicare, Medicaid, and many other health care payers. However, not all types of providers are required to have an NPI (e.g., home health aides), meaning that an NPI may not have been available for every record submitted to MCSIS.[17] MCSIS contained additional fields that captured other information, such as provider type, provider address, and the name of the reporting State. MCSIS also included fields associated with the provider's termination, including termination date, length of termination, reason for termination, and program from which the provider was terminated (i.e., Medicare, Medicaid, or CHIP).[18]

Seven MCSIS data fields, shown in Table 1, were mandatory, meaning that record submissions had to contain information in those fields to be accepted into the database. MCSIS would reject a record submitted with any mandatory fields empty.[19]

Three fields shown in Table 1 were optional; MCSIS would accept a submission that did not contain information for NPI, provider type, and/or State provider ID.

Some fields in MCSIS offered drop-down menus with a list of choices. For example, MCSIS had 14 choices for the reason for a provider's termination, such as abuse of billing privileges, felony conviction, and State exclusion/debarment. The field for provider type included 26 choices, such as Physician, Nonphysician Practitioner, and Home Health Agency, as well as "Other." Additional fields with drop-down menus included the terminating program (i.e., Medicare, Medicaid, or CHIP) and the code for the reporting State.

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[16] ACA § 6401(b)(2).

[17] 45 CFR § 162.103, § 162.404, § 162.410. NPIs are required only for health care providers satisfying the Health Insurance Portability and Accountability Act's (HIPAA's) definition of covered entities, which means (1) a health plan, (2) a health care clearinghouse, or (3) a health care provider that transmits health information in electronic form in connection with a transaction covered by HIPAA. Thus, some providers are not required to obtain an NPI because they do not meet this definition.

[18] MCSIS contained a few other data fields that were not relevant for purposes of this report.

[19] CMS, *MCSIS User Manual*, Version 2.9, June 9, 2012, p. 61.

Table 1: Selected Data Fields Available for Records in MCSIS

Terminated Provider Information	Mandatory	Optional
Name (Individual or Organization)	X	
NPI		X
Other Identifying Information:		
Address (Mailing/Practice)	X	
Provider Type		X
State Code	X	
State Provider ID		X
Termination Information:		
Length of Termination	X	
Program Type (Medicare, Medicaid, or CHIP)	X	
Termination Date	X	
Termination Reason	X	

Source: CMS *MCSIS User Manual*, Version 2.9, June 9, 2012.

METHODOLOGY

Scope
For this report, we examined all records contained in MCSIS as of
June 1, 2013. We identified the extent to which MCSIS contained records
from CMS and State agencies about providers terminated "for cause" from
Medicare and from Medicaid. We also examined the completeness of
information in MCSIS data fields and attempted to verify the accuracy of
submitted NPIs. This report focuses on records contained in MCSIS. A
separate Office of Inspector General (OIG) report (forthcoming) will
address State agencies' termination of providers pursuant to section
6501.[20]

Data Collection and Analysis
To examine records contained in MCSIS, we first identified the number of
records submitted by CMS and State agencies. We calculated the
percentage of records associated with Medicare and Medicaid providers.[21]
We also examined the reason for termination listed in each record to
identify any terminated providers not related to "for cause" terminations.

To assess the completeness of records contained in MCSIS, we examined
the contents of each data field for each record. We calculated the
percentages of complete fields and empty fields, across all records and by
the reporting entity. When records contained "N/A" in a data field, which

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[20] OIG, *OIG Workplan, Fiscal Year 2013*; OIG, *State Terminations of Providers
Terminated by Medicare or by Other States*, OEI-06-12-00030, publication expected in
2014.

[21] At the time of our review, June 1, 2013, MCSIS did not contain any CHIP records.

could be an indication that the information was not available or not applicable, we considered these data fields to be empty.

To the extent possible, we verified the accuracy of the NPIs contained in MCSIS. For this analysis, we compared the NPI contained in MCSIS to the NPI listed for the provider in CMS's National Plan and Provider Enumeration System (NPPES), the database that CMS uses for assigning NPIs to individual providers and entities.[22]

Limitations

This study has two limitations. First, with the exception of the NPIs, we did not verify the accuracy of the information submitted to MCSIS. Second, given the temporary status of MCSIS and the voluntary participation by State agencies, we did not attempt to determine the extent to which MCSIS contained records for all providers terminated "for cause."

Standards

This study was conducted in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

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[22] CMS (Medicare Learning Network), *The National Provider Identifier (NPI): What You Need to Know.* Accessed at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/NPIBooklet.pdf on April 28, 2013. CMS developed the NPPES to assign unique identifiers to providers, and CMS stores this information in a searchable database known as the NPI Registry. To avoid assigning the same NPI to more than one provider, the NPPES tracks individual providers using unique personal identifiers, such as date of birth (DOB), place of birth, Social Security number (SSN), and Taxpayer Identification number (TIN).

FINDINGS

MCSIS contained records on terminated providers submitted by CMS and 33 State Medicaid agencies and did not contain records from the remaining State Medicaid agencies

As of June 1, 2013, MCSIS contained 6,439 provider records submitted by CMS and 33 State agencies. CMS submitted 27 percent of MCSIS records (1,726) about providers terminated from Medicare. Combined, the 33 State agencies submitted the remaining 73 percent (4,713) of records. Four States accounted for 72 percent (3,413 of 4,713) of the Medicaid records contained in MCSIS: California (2,074), New York (597), Pennsylvania (442), and Illinois (300). See Appendix A, Table A-1, for the number of provider records submitted by CMS and State agencies.

MCSIS did not contain records from the remaining State agencies as of June 1, 2013. CMS policy does not require State agencies to submit data on terminated providers through CMS's information-sharing process.

Almost one-third of records contained in MCSIS did not relate to providers terminated "for cause"

Of the 6,439 records contained in MCSIS, over 2,000 records did not relate to providers terminated "for cause." As mentioned above, CMS provided guidance with criteria about "for cause" terminations and specified that the information shared in MCSIS should be limited to providers terminated "for cause." However, many records in MCSIS pertained to individuals who were not enrolled in or had not been terminated from the Medicaid program in the States submitting the records, and others pertained to providers whose termination from Medicare did not meet CMS's criteria for "for cause" termination.

California submitted records to MCSIS for providers that were not enrolled in and had not been terminated from the State Medicaid program

California submitted numerous records (2,000 or more)[23] for providers that were not enrolled in the Medicaid program. Therefore, these providers were not terminated "for cause" and would not warrant termination by another State Medicaid program pursuant to section 6501. When contacted, State agency officials explained that the agency deemed these individual providers and organizations ineligible for enrollment in the State Medicaid program.[24] Although these officials recognized that the records the agency had submitted to MCSIS did not meet the criteria for provider terminations, they explained that they wanted to make other State agencies aware of the providers' status as ineligible for enrollment in California.[25]

CMS submitted records to MCSIS for deceased providers that were not terminated "for cause"

Of the Medicare provider records submitted to MCSIS, 4 percent (71 of 1,726) pertained to providers listed as deceased. CMS provides a disclaimer in MCSIS acknowledging that deceased providers do not meet the guidance it issued regarding "for cause" terminations for purposes of section 6501. The disclaimer indicates that States should use the information to ensure that they are not paying for services billed on behalf of deceased providers.[26] See Appendix A, Tables A-2 and A-3, for termination reasons submitted to MCSIS by Medicare and State agencies.

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[23] It is not possible to determine precisely how many of the 2,074 records submitted by the California Medicaid program pertained to providers that were not enrolled and had not been terminated. However, State agency officials indicated that, by the definition of "suspended and ineligible," the vast majority of these providers were not participating in, and had not been terminated from, Medicaid.

[24] State of California Welfare and Institutions Code, §§ 14043.6 and 14123.

[25] We followed up with officials in California on this issue because MCSIS contained so many California records. However, we did not contact the other State agencies about this issue because it was beyond the scope of the planned data collection for this report. Other State agencies may also have submitted records for providers that were not terminated "for cause."

[26] MCSIS contains the following disclaimer about records for deceased providers: "In addition to sharing information regarding Medicare providers that have had their Medicare billing privileges revoked 'for cause,' CMS will also be sharing information about providers that have had their Medicare billing privileges deactivated because our data indicates they are deceased. While the requirement of section 6501 of the Affordable Care Act do not apply per se, States should use the information regarding deceased providers to ensure they are not paying for any services that were billed as if they were rendered by such deceased providers. Providers that have had their Medicare enrollment deactivated due to death will be designated as 'deceased provider' under the 'reason for termination.'"

Over half of MCSIS records did not contain NPIs or other identifying information

Although all MCSIS records included the name of a provider, many records did not contain information that would be useful when State agencies attempt to identify providers required to be terminated by section 6501. Key information missing from MCSIS records included NPI, provider type, and address. Overall, 59 percent (3,831 of 6,439) of MCSIS records were blank (i.e., contained no information) for at least 1 of these fields.

Over half of records in MCSIS did not contain NPIs, and some NPIs appeared to be inaccurate

Overall, 59 percent (3,771 of 6,439) of MCSIS records did not contain NPIs. Most provider types (e.g., physicians, nurse practitioners, home health agencies) must have NPIs to bill Medicare and Medicaid, suggesting that submitters omitted the NPIs from many of these records.[27] For 15 State agencies, more than 50 percent of submitted records did not contain NPIs.

The remaining 41 percent of MCSIS records contained an NPI. All 1,726 records submitted by CMS for Medicare providers contained NPIs, as did all records submitted by 8 States. See Table 2 for the number and percentage of MCSIS records without NPIs.

Additionally, 3 percent (93 of the 2,668) of NPIs in MCSIS records appeared to be inaccurate when compared to NPI data contained in NPPES, the database that CMS uses for assigning NPIs to individual providers and entities. Three percent (73) of the NPIs in MCSIS were listed in NPPES as belonging to different providers, and another 1 percent (20) of the NPIs in MCSIS did not match any provider in NPPES. Both Medicare and Medicaid provider records had NPI inaccuracies in MCSIS.

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[27] It was not possible to confirm whether some provider records in MCSIS legitimately did not include NPIs, such as records involving types of providers that are not required to obtain NPIs, because many of the records missing NPIs were also missing information on the provider types.

Table 2: Number and Percentage of MCSIS Records Without NPIs, by Program Type

State Medicaid Program	Number Without NPI	Total Records	Percentage of MCSIS Records Lacking NPI
CA	2,018	2,074	97%
NY	399	597	67%
PA	333	442	75%
IL	300	300	100%
AL	167	190	88%
OH	128	263	49%
NJ	100	159	63%
AR	92	93	99%
MD	65	122	53%
NE	40	43	93%
MI	24	146	16%
IA	20	21	95%
AK	16	16	100%
ID	15	22	68%
VT	13	14	93%
MS	10	32	31%
FL	8	9	89%
GA	7	20	35%
MO	3	18	17%
VA	3	6	50%
ME	3	4	75%
AZ	2	12	17%
CT	2	5	40%
IN	2	4	50%
WI	1	43	2%
WA	0	18	0%
NV	0	18	0%
DE	0	14	0%
KS	0	2	0%
MA	0	2	0%
TN	0	2	0%
LA	0	1	0%
RI	0	1	0%
Medicaid Total	**3,771**	**4,713**	**80%**
Medicare Total	**0**	**1,726**	**0%**
Medicare and Medicaid Total	**3,771**	**6,439**	**59%**

Source: OIG analysis of MCSIS data as of June 1, 2013.

One-third of MCSIS records did not contain provider type information, and many other records listed the provider type as "Other"

Although MCSIS offers a drop-down menu for selecting the type of provider for each record, the provider type field was blank for 33 percent (2,107) of MCSIS records. Fourteen State agencies submitted the records with missing provider type information.[28] Another 19 percent of records (1,221) contained "Other" in the provider type field, potentially making these records less useful for verifying database matches. (See Table 3.) Programs with records listing the provider type as "Other" included both Medicare (355 records) and Medicaid (866 records). The "Other" label is appropriate for records that do not fit under any of the other 25 specific provider type choices in the drop-down menu. However, it is possible that some States overused the "Other" label. For example, Arkansas used "Other" in 95 percent of its submitted records (88 of 93), and Florida did so for 78 percent of its records (7 of 9). See Appendix A, Tables A-4 and A-5, for listings of provider types submitted to MCSIS by Medicare and State agencies.

Table 3: Total Number and Percentage of MCSIS Records by Contents of Provider Type Field

Provider Type	Records	Percentage
Provider Type Was Listed (Not Listed as "Other")	3,111	48%
Blank	2,107	33%
Provider Type Listed As "Other"	1,221	19%
Total	**6,439**	**100%**

Source: OIG analysis of MCSIS data as of June 1, 2013.

Among records that contained information on provider type, "physician" was the most common provider type listed, indicated in over 30 percent of the records. The only other provider types accounting for more than 1 percent of MCSIS records were Nonphysician Practitioners (5.8 percent), Personal Care Attendants (3.8 percent), Psychologists (1.7 percent), Dentists (1.6 percent), and Pharmacists (1.2 percent).

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[28] California records accounted for 97 percent (2,049 of 2,107) of the records missing provider type information.

Almost one-quarter of MCSIS records did not contain addresses for the providers

Although MCSIS includes fields for reporting an individual's practice address, a business address, or both, 22 percent of MCSIS records (1,448) contained neither.[29] California submissions accounted for all the records without addresses and instead contained "N/A" (presumably meaning "not applicable") in address fields.[30] The remaining 78 percent of records contained addresses, with street numbers or P.O. box numbers, cities, States, and ZIP Codes.[31] Our review did not attempt to verify the accuracy of the address information contained in MCSIS records.

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[29] As mentioned earlier, the address field in MCSIS was a mandatory data field. However, it appeared that MCSIS accepted submissions as long as the records contained any characters typed in the provider or organization address field.

[30] A small number (62 of 6,439) of the records from States other than California contained somewhat incomplete address information, such as containing only the name of an institution or facility or missing street numbers or cities.

[31] As a result of rounding, the total number of records without addresses (23 percent) and total with addresses (78 percent) do not sum to 100 percent.

CONCLUSION AND RECOMMENDATIONS

As required by the ACA, CMS established a process for sharing information about terminated providers by creating MCSIS, a Web-based portal. Our findings suggest that CMS's information-sharing process needs improvement to make it useful to State agencies to identify providers that the States must terminate from Medicaid pursuant to section 6501. Although CMS and 33 State agencies submitted over 6,400 provider records to MCSIS, the remaining State agencies had not submitted any records on terminated providers as of June 1, 2013. Further, many of the records contained in MCSIS did not relate to providers terminated "for cause," a requisite factor for State termination under section 6501. Moreover, many MCSIS records had empty data fields, including fields critical for identifying providers, including NPI, provider type, and address.

Although CMS recently revised its process for sharing information about terminated providers, our findings are applicable to the revised process. To maximize the usefulness of its process, CMS should address the issues identified in this report.

Therefore, we recommend that CMS:

Require each State Medicaid agency to report all terminated providers

As directed by section 6401(b)(2) of the ACA, CMS established a process to make available information about health care providers that State Medicaid agencies must terminate under section 6501 of the ACA. However, we found that many State agencies did not submit information about any providers terminated from their programs during the period that we reviewed: as a result, MCSIS included only a portion of providers terminated "for cause."

To date, CMS has encouraged, rather than required, State agencies to submit terminated provider records. However, CMS has broad authority under section 1902(a)(41) of the SSA to require State agency reporting of information about terminated providers. CMS should use this authority to ensure that the process established under section 6401(b)(2) of the ACA includes all providers terminated by State and Federal programs for reasons involving fraud, integrity, or quality.

Ensure that the shared information contains only records that meet CMS criteria for inclusion

To date, CMS guidance has been clear that terminations shared through its information-sharing process should be limited to "for cause" terminations for reasons involving fraud, integrity, or quality. By definition, "for cause" terminations are not final until the provider has exhausted all applicable appeal rights or the timeline for such appeal has expired. To ensure that its information-sharing process does not include inappropriate records, such as those for individuals who were not enrolled or who had not been terminated, CMS should adhere to its criteria and remove any existing records that do not meet the criteria. Such actions would assure State agencies that the providers listed as terminated "for cause" must be terminated under section 6501. Further, because deceased providers do not meet the criteria for "for cause" termination, CMS should remove the Medicare records for deceased providers from its information-sharing process. We do not recommend a change in criteria for submissions. Still, if CMS chooses to include records for deceased providers or to otherwise expand its information-sharing process beyond "for cause" terminations, it should issue new regulations or guidance and implement a mechanism to clearly identify those providers that a State must terminate under section 6501.

Take action to improve the completeness of records shared through the process, especially in data fields critical to identifying terminated providers

Incomplete records—especially those missing NPIs, provider types, and addresses—make CMS's information-sharing process far less useful to States attempting to identify providers that warrant termination under section 6501. Without at least some of this essential information, data matches of State provider rosters against CMS's data would likely require confirmation using other sources. To improve the quality of records, CMS could further educate State agencies about the importance of submitting complete records. CMS could also consider automated changes within the process, such as making more data fields mandatory to complete a submission or embedding warnings when submissions are blank in certain data fields. Additionally, because some providers terminated "for cause" do not have unique NPIs, CMS should consider adding data fields for other identifying information, such as SSN, TIN, Employer Identification Number (EIN), and DOB, and should make any necessary changes to the process to ensure the security of added personally identifiable information.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

CMS concurred with all of our recommendations.

In response to our recommendation that CMS require each State Medicaid agency to report all terminated providers, CMS acknowledged its authority under section 1902(a)(41) of the SSA to require State Medicaid agencies to report terminations of Medicaid and CHIP providers. Accordingly, it will explore options available to implement mandatory State reporting of data on "for cause" terminations from Medicaid and CHIP.

In response to our recommendation that CMS ensure that the process for sharing information contains only records that meet the criteria for inclusion, CMS stated that it has a new process for sharing information on terminated providers, effective November 25, 2013. According to CMS, this process—intended for use by staff from CMS, State Medicaid agencies, and CHIP—will allow information on terminated providers to be shared securely. Under the new process, CMS plans to require States to submit a copy of the Medicaid termination letter issued to the provider. After submission, CMS intends to review each termination to ensure that it meets criteria for inclusion.

In response to our recommendation to take action to improve the completeness of records, especially in data fields critical to identifying terminated providers, CMS stated that the new process requires States to submit information in critical data fields—such as the field for the NPI—as well as a copy of the Medicaid termination letter. We reiterate that CMS should consider adding data fields, such as SSN, TIN, EIN and DOB, for identifying providers when an NPI is not available.

We removed a fourth recommendation listed in our draft report—for CMS to establish a timeframe for replacing MCSIS—given that CMS has now revised the process and moved it to another automated system.

For the full text of CMS's comments, see Appendix B.

APPENDIX A

MCSIS Records, as of June 1, 2013

**Table A-1: Number and Percentage of MCSIS Records
by Year Submitted and Program Submitting**

State Medicaid Program	Submission Year			Number of Records	Percentage
	2011	2012	2013*		
AK	0	16	0	16	0.3%
AL	0	166	24	190	4.0%
AR	16	67	10	93	2.0%
AZ	0	0	12	12	0.3%
CA	0	2,056	18	2,074	44.0%
CT	5	0	0	5	0.1%
DE	0	14	0	14	0.3%
FL	0	9	0	9	0.2%
GA	0	2	18	20	0.4%
IA	0	17	4	21	0.4%
ID	10	3	9	22	0.5%
IL	0	288	12	300	6.4%
IN	1	3	0	4	0.1%
KS	0	2	0	2	<0.1%
LA	1	0	0	1	<0.1%
MA	0	2	0	2	<0.1%
MD	24	67	31	122	2.6%
ME	0	4	0	4	0.1%
MI	57	62	27	146	3.1%
MO	0	12	6	18	0.4%
MS	0	15	17	32	0.7%
NE	29	2	12	43	0.9%
NJ	22	111	26	159	3.4%
NV	0	18	0	18	0.4%
NY	443	74	80	597	12.7%
OH	0	263	0	263	5.6%
PA	173	187	82	442	9.4%
RI	0	1	0	1	<0.1%
TN	0	2	0	2	<0.1%
VA	3	0	3	6	0.1%
VT	1	8	5	14	0.3%
WA	3	13	2	18	0.4%
WI	0	28	15	43	0.9%
Medicaid Total	**788**	**3,512**	**413**	**4,713**	**73%**
Medicare Total	**0**	**233**	**1,493**	**1,726**	**27%**
Medicare and Medicaid Total	**788**	**3,745**	**1,906**	**6,439**	**100%**

Source: OIG analysis of MCSIS data as of June 1, 2013.
*Data include submissions from January 1, 2013, to June 1, 2013.

Table A-2: Number and Percentage of MCSIS Records by Termination Reason and Program Type

Termination Reason Listed in MCSIS	Medicare	Medicaid	Medicare and Medicaid	Percentage of MCSIS Records
State exclusion/debarment, etc.	0	2,693	2,693	41.8%
Loss of license or other State action	1,492	601	2,093	32.5%
Federal exclusion/debarment, etc.	157	962	1,119	17.4%
Felony conviction	0	188	188	2.9%
Other	0	106	106	1.6%
Action taken by Medicare	5	91	96	1.5%
Deceased provider	71	0	71	1.1%
Noncompliance	0	37	37	0.6%
Action taken by Medicaid/CHIP	0	18	18	0.3%
False or misleading information	1	9	10	0.2%
Abuse of billing privileges	0	7	7	0.1%
Misuse of billing number	0	1	1	<0.1%
Failure to report a change of address/ownership	0	0	0	0%
Onsite review/provider is no longer operational	0	0	0	0%
Total	**1,726**	**4,713**	**6,439**	**100%**

Source: *CMS MCSIS User Manual* and OIG analysis of MCSIS data as of June 1, 2013.

Table A-3: Number and Percentage of MCSIS Records by Program and the Termination Reason Listed in MCSIS

State Medicaid Program	State exclusion/debarment, etc.	Loss of license or other State action	Federal exclusion/debarment, etc.	Felony conviction	Other	Action taken by Medicare	Deceased provider	Noncompliance	Action taken by Medicaid/CHIP	False or misleading information	Abuse of billing privileges	Misuse of billing number
AK	1	0	1	4	3	0	0	7	0	0	0	0
AL	1	30	62	4	1	88	0	0	2	0	2	0
AR	0	0	1	61	31	0	0	0	0	0	0	0
AZ	4	8	0	0	0	0	0	0	0	0	0	0
CA	2,056	0	0	0	18	0	0	0	0	0	0	0
CT	2	0	0	2	0	0	0	0	1	0	0	0
DE	14	0	0	0	0	0	0	0	0	0	0	0
FL	0	1	0	3	0	0	0	3	0	2	0	0
GA	0	0	1	19	0	0	0	0	0	0	0	0
IA	3	1	1	16	0	0	0	0	0	0	0	0
ID	10	0	0	3	0	0	0	4	0	0	5	0
IL	89	0	211	0	0	0	0	0	0	0	0	0
IN	0	1	0	0	0	0	0	3	0	0	0	0
KS	0	0	1	0	0	0	0	1	0	0	0	0
LA	0	0	0	0	0	0	0	0	0	1	0	0
MA	0	0	0	0	0	0	0	0	2	0	0	0
MD	39	39	36	7	0	0	0	0	0	0	0	1
ME	3	0	0	1	0	0	0	0	0	0	0	0
MI	2	134	5	0	2	2	0	0	1	0	0	0
MO	0	4	2	5	1	0	0	0	0	6	0	0
MS	0	9	0	11	11	1	0	0	0	0	0	0
NE	27	0	0	0	0	0	0	16	0	0	0	0
NJ	7	47	83	3	19	0	0	0	0	0	0	0
NV	4	0	1	0	1	0	0	1	11	0	0	0
NY	292	148	131	15	9	0	0	2	0	0	0	0
OH	72	75	116	0	0	0	0	0	0	0	0	0
PA	55	51	306	26	4	0	0	0	0	0	0	0
RI	1	0	0	0	0	0	0	0	0	0	0	0
TN	0	1	0	1	0	0	0	0	0	0	0	0
VA	0	0	1	5	0	0	0	0	0	0	0	0
VT	11	0	1	2	0	0	0	0	0	0	0	0
WA	0	17	0	0	0	0	0	0	1	0	0	0
WI	0	35	2	0	6	0	0	0	0	0	0	0
Medicaid	**2,693**	**601**	**962**	**188**	**106**	**91**	**0**	**37**	**18**	**9**	**7**	**1**
Medicare	**0**	**1,492**	**157**	**0**	**0**	**5**	**71**	**0**	**0**	**1**	**0**	**0**
Medicare and Medicaid	**2,693**	**2,093**	**1,119**	**188**	**106**	**96**	**71**	**37**	**18**	**10**	**7**	**1**

Source: *CMS MCSIS User Manual* and OIG analysis of MCSIS data as of June 1, 2013.

Table A-4: Number and Percentage of MCSIS Records by Provider Type and Program Type

Provider Type Listed in MCSIS	Medicare	Medicaid	Medicare and Medicaid	Percentage of MCSIS Records
Field left blank	0	2,107	2,107	32.7%
Physician	1,169	789	1,958	30.4%
Other	355	866	1,221	19.0%
Nonphysician practitioner (e.g., Nurse Practitioner, Physician Assistant, Certified Nurse Anesthetist, Certified Nurse Midwife, etc.)	65	307	372	5.8%
Personal Care Agency/Attendant	0	244	244	3.8%
Psychologist	95	14	109	1.7%
Dentist	8	98	106	1.6%
Pharmacy	0	75	75	1.2%
Comprehensive Outpatient Rehabilitation Facility/Outpatient Rehabilitation Facility	0	53	53	0.8%
Therapist (Physical Therapist, Occupational Therapist, Speech Language Pathologist)	15	33	48	0.7%
Non-Emergency Transportation	0	46	46	0.7%
Durable Medical Equipment	0	30	30	0.5%
Licensed Mental Health Provider	14	16	30	0.5%
Home Health Agency	0	15	15	0.2%
Community Mental Health Center	0	5	5	0.1%
Hospice	0	5	5	0.1%
Rural Health Clinic	0	3	3	<0.1%
Ambulatory Surgical Center	3	0	3	<0.1%
Ambulance	0	2	2	<0.1%
Independent Diagnostic Testing Facility	2	0	2	<0.1%
Intermediate Care Facility for Persons with Mental Retardation	0	2	2	<0.1%
Skilled Nursing Facility/Nursing Facility	0	2	2	<0.1%
Rehabilitation Center (Inpatient)	0	1	1	<0.1%
Hospital	0	0	0	0%
Laboratory	0	0	0	0%
Residential Treatment Facility/Psychiatric Residential Treatment Facility	0	0	0	0%
Federally Qualified Health Center	0	0	0	0%
Total	**1,726**	**4,713**	**6,439**	**100**%

Source: *CMS MCSIS User Manual* and OIG analysis of MCSIS data as of June 1, 2013.

Table A-5: Number and Percentage of MCSIS Records by Provider Type Listed in MCSIS, Program Type, and State Medicaid Program

State Medicaid Program	Field left blank	Physician	Other	Nonphysician Practitioner (e.g., NP, PA, CRNA, Certified Nurse Midwife, etc.)	Personal Care Agency/Attendant	Psychologist	Dentist	Pharmacy	Comprehensive Outpatient Rehab Facility/Outpatient Rehab Facility	Non-Emergency Transportation	Therapist (Physical Therapist, Occupational Therapist, Speech Language Pathologist)	Durable Medical Equipment	Licensed Mental Health Provider	Home Health Agency	Community Mental Health Center	Hospice	Rural Health Clinic	Ambulatory Surgery Center	Independent Diagnostic Testing Facility	Ambulance	Intermediate Care Facility for Persons with Mental Retardation	Skilled Nursing Facility/Nursing Facility	Rehabilitation Center (Inpatient)
AK	0	0	8	3	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AL	0	30	148	2	0	0	3	1	0	0	0	4	1	0	0	1	0	0	0	0	0	0	0
AR	2	2	88	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AZ	0	6	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CA	2,049	13	0	0	0	1	0	2	0	1	6	2	0	0	0	0	0	0	0	0	0	0	0
CT	0	2	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0
DE	0	10	0	1	0	0	2	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
FL	0	1	7	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
GA	7	1	4	2	1	0	0	0	0	0	1	1	1	0	2	0	0	0	0	0	0	0	0
IA	1	0	2	0	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ID	8	0	3	2	0	0	0	0	0	5	0	0	0	0	3	0	0	0	0	0	0	0	1
IL	0	167	32	2	0	1	19	1	53	21	0	0	0	0	0	0	0	3	0	0	0	1	0	0
IN	0	0	3	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
KS	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
LA	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MA	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MD	3	64	41	4	2	0	1	0	0	0	0	2	5	0	0	0	0	0	0	0	0	0	0
ME	0	0	3	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MI	2	48	58	5	1	0	3	24	0	0	1	1	0	3	0	0	0	0	0	0	0	0	0
MO	0	5	1	0	0	2	0	0	0	0	2	1	1	5	0	0	0	0	0	0	0	1	0
MS	9	9	9	1	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0
NE	0	0	1	1	40	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
NJ	18	52	48	1	0	2	19	13	0	0	0	1	1	4	0	0	0	0	0	0	0	0	0
NV	3	2	8	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY	0	173	143	164	19	4	31	30	0	5	15	9	3	1	0	0	0	0	0	0	0	0	0
OH	0	76	3	46	117	0	5	2	0	12	0	1	0	0	0	0	0	0	0	1	0	0	0
PA	2	92	243	58	26	3	10	1	0	0	4	2	0	0	0	0	0	0	0	1	0	0	0
RI	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TN	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VA	1	3	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VT	0	0	3	0	9	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	11	3	1	0	0	2	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
WI	1	18	1	11	0	0	0	0	0	0	2	6	4	0	0	0	0	0	0	0	0	0	0
Medicaid	**2,107**	**789**	**866**	**307**	**244**	**14**	**98**	**75**	**53**	**46**	**33**	**30**	**16**	**15**	**5**	**5**	**3**	**5**	**3**	**0**	**0**	**2**	**2**
Medicare	**0**	**1,169**	**355**	**65**	**0**	**95**	**8**	**0**	**0**	**0**	**15**	**0**	**14**	**0**	**0**	**0**	**0**	**3**	**2**	**0**	**0**	**0**	**0**
Medicaid and Medicare	**2,107**	**1,958**	**1,221**	**372**	**244**	**109**	**106**	**75**	**53**	**46**	**48**	**30**	**30**	**15**	**5**	**5**	**3**	**3**	**2**	**2**	**2**	**2**	**1**

Source: *CMS MCSIS User Manual* and OIG analysis of MCSIS data as of June 1, 2013.

APPENDIX B

AGENCY COMMENTS

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

DATE: JAN 17 2014

TO: Daniel R. Levinson
Inspector General

FROM: Marilyn Tavenner */S/*
Administrator

SUBJECT: Office of Inspector General (OIG) Draft Report: "CMS System for Sharing
Information About Terminated Providers Needs Improvement"
(OEI-06-12-00031)

The Centers for Medicare & Medicaid Services (CMS) appreciates the opportunity to review and
comment on the above-referenced OIG draft report. The purpose of this report is to determine
the extent to which CMS and state Medicaid agencies reported provider information to the
Medicaid and Children's Health Insurance Program (CHIP) State Information Sharing System
(MCSIS), to identify MCSIS records not related to providers who were terminated "for cause,"
and to assess the completeness of provider identifying information in the MCSIS records.

In accordance with section 6401(b)(2) of the Affordable Care Act, CMS is committed to
facilitating state reporting of Medicaid and CHIP "for cause" termination data. CMS phased out
MCSIS and transitioned to the OnePI portal on November 25, 2013. The new delivery and
storage process will allow for state-to-state information on terminated providers to be securely
shared by way of the OnePI portal and is intended for use by CMS, state Medicaid, and CHIP
staff. States will be able to view and download Medicare revocations, previous MCSIS data, and
state terminations. Medicaid termination letters will also be available for download through the
new system.

We appreciate OIG's efforts in working with CMS to ensure that the system for sharing
information about terminated providers is useful and effective for state Medicaid agencies. Our
response to each of the OIG recommendations follows.

OIG Recommendation

The OIG recommends that CMS, to make complete information available, require each state
Medicaid agency to report all terminated providers.

CMS Response

The CMS concurs with this recommendation. CMS has authority under Social Security Act section 1902(a)(41) to require state Medicaid agencies to report terminations of Medicaid and CHIP providers. Accordingly, CMS will explore the potential options available to implement mandatory state reporting of Medicaid and CHIP for cause termination data.

OIG Recommendation

The OIG recommends that CMS ensure that MCSIS contains only records that meet CMS criteria for inclusion in MCSIS.

CMS Response

The CMS concurs with this recommendation. CMS phased out MCSIS and transitioned to the OnePI portal on November 25, 2013. The new delivery and storage process will allow for state-to-state information on terminated providers to be securely shared by way of the OnePI portal and is intended for use by CMS, state Medicaid, and CHIP staff. States will be able to view and download Medicare revocations, previous MCSIS data, and state terminations. Medicaid termination letters will also be available for download through the new system.

When submitting information regarding provider terminations, states are also now required to submit a copy of the Medicaid termination letter issued to the provider. CMS reviews the termination to assure it meets CMS criteria for inclusion in the new system. Information regarding the new process and system was communicated via a formal memo to the State Medical Directors on November 18, 2013.

OIG Recommendation

The OIG recommends that CMS take action to improve the completeness of records contained in MCSIS, especially in data fields critical to identifying terminated providers.

CMS Response

The CMS concurs with this recommendation. On November 25, 2013, CMS phased out MCSIS and transitioned to a new delivery and storage process using the OnePI portal. When submitting information regarding provider terminations, states are now required to submit a copy of the Medicaid termination letter issued to the provider. In addition, critical data fields, such as the National Provider Identifier, are required upon submission.

OIG Recommendation

The OIG recommends that CMS establish a timeframe for replacing MCSIS, if replacement is necessary.

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CMS Response

The CMS concurs with this recommendation. As explained above, CMS phased out MCSIS and transitioned to the OnePI portal on November 25, 2013. The new delivery and storage process will allow for state-to-state information on terminated providers to be securely shared by way of the OnePI portal and is intended for use by CMS, state Medicaid, and CHIP staff.

Again, we appreciate the opportunity to comment on this draft report and look forward to working with OIG on this and other issues.

ACKNOWLEDGMENTS

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The Office of Audit Services (OAS) provides auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

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