



Washington, D.C. 20201

SEP 7 2000

TO: All Medicaid Fraud Control Units

SUBJECT: State Fraud Policy Transmittal No. 2000-1
Extended Investigative Authority for
the State Medicaid Fraud Control Units

The Ticket to Work and Work Incentives Improvement Act of 1999, P.L. 106-170, included an amendment which extended the jurisdiction of the State Medicaid Fraud Control Units (MFCUs) to include investigations and prosecutions of (1) Medicare or other Federal health care cases which are primarily related to Medicaid and (2) patient abuse and neglect in non-Medicaid board and care facilities. The purpose of this policy transmittal is to provide information on the extension of investigative authorities and outline procedures to request permission from the Department of Health and Human Services (HHS), Office of Inspector General (OIG) to investigate Medicare and other HHS health care cases. Requests to investigate health care cases for non-HHS programs must be directed to the Inspectors General of those other agencies.

The amendment provides that upon approval of the Inspector General of the relevant federal agency, MFCUs can investigate and prosecute any aspect of the provision of health care services and activities of providers of such services, under any Federal health care program including Medicare or the Children's Health Insurance Program (CHIP) (title XXI of the Social Security Act), if the suspected fraud or violation of law in such cases or investigations is primarily related to Medicaid.

Additionally, the MFCUs have the option to investigate complaints of abuse or neglect of patients residing in board and care facilities (regardless of the source of payment), from or on behalf of two or more unrelated adults who reside in such facilities. Board and care facilities include residential settings where two or more unrelated adults reside and receive one or both of the following:

- (1) Nursing care services provided by, or under the supervision of, a registered nurse, licensed practical nurse, or licensed nursing assistant.

- (2) A substantial amount of personal care services that assist residents with the activities of daily living, including personal hygiene, dressing, bathing, eating, personal sanitation, ambulation, transfer, positioning, self-medication, body care, travel to medical services, essential shopping, meal preparation, laundry, and housework.

The authority to approve requests to investigate and prosecute Medicare or CHIP cases covered by this extended jurisdiction has been delegated to the DHHS/OIG Regional Inspectors General for Investigation (RIGI). No OIG approval is required for patient abuse investigations in board and care facilities.

Requests must be in writing from the MFCUs to the appropriate Office of Investigations Field Office (OIFO), and should generally include the following information:

- (1) The nature of the complaint and the date received by the MFCU.
- (2) A brief description of how the complaint is covered under the expanded investigative authority.
- (3) Name and phone number for the lead investigator or supervisor and any special requests or information.

The RIGI will provide a written response to the MFCU within 15 working days (in most cases) of receipt of the request. The OIFO will also provide a copy of the response and the MFCU's original request to the Director, State Medicaid Oversight and Policy Staff.

The total number of hours spent investigating cases covered under this expanded authority should be included with the MFCU's annual report.

Any questions concerning this policy should be directed to Joseph Prekker, Director, State Medicaid Oversight and Policy Staff at (202) 619-3557.



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