



House Fraud Prevention Oversight Policy Committee

July 8, 2025

Shireen Gandhi | Temporary Commissioner, DHS

James Clark | Inspector General, DHS

Thank you

DHS appreciates the Legislature's bipartisan efforts to improve program integrity, transparency, and accountability in state-administered programs.



2025 Session Program Integrity Reforms

- Prohibition on illegal remunerations (aka “kickbacks”) for Medical Assistance (MA) and Child Care Assistance Programs (CCAP)
- Prohibition on duplicative billing
- Provider compliance training required prior to enrollment for unlicensed services
 - MA Peer Recovery Services
 - MA Housing Stabilization Services
 - MA Recuperative Care
- Authority to share data, including claims data, with state and federal agencies to investigate suspected fraud
- Authority for DHS to disclose payment withholds
- Authority for DHS to deny licensure applications or temporarily suspend a license for individuals that are the current subject of a pending administrative, civil, or criminal investigation.



2025 Session Program Integrity Reforms

- **Early Intensive Developmental and Behavioral Intervention (EIDBI) reforms**
 - Provisional licensure established
 - Authority to investigate maltreatment allegations in EIDBI settings
 - Staff to manage additional eligibility and compliance checks, as well as a higher volume of on-site screenings and background studies
 - Improved oversight of clinical requirements to ensure high-quality service, provider retention, and better outcomes for children and families.
- **MA Housing Stabilization Services (HSS) program integrity reforms**
 - HSS billing cap set at 100 hours annually per client
 - Additional funding for site-visits and pre-enrollment visits
 - New and renewing HSS providers must complete a pre-enrollment risk assessment

Inspector General James Clark

IG Clark served as ***Assistant Attorney General*** from 2016-2025

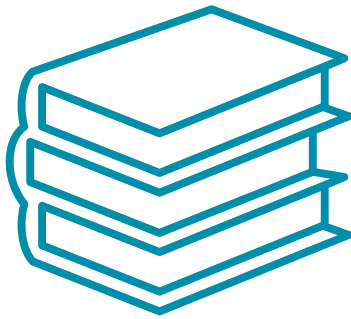
Supported the ***AGO's Medicaid Fraud and Human Services Divisions***

Represented DHS in cases of:

Licensing	Background Study	Civil Rights
Maltreatment	Civil Commitment	Data Practices
Program Integrity Oversight	Benefit Recovery	Medicaid Requirements

Investigated and criminally prosecuted Medicaid providers

OIG has three main oversight functions:



**Background
Studies**



Licensing



**Provider
investigations**

The Office of Inspector General (OIG) collaborates closely with DHS policy areas through ongoing meetings focused on continuous improvement and effective oversight. These meetings serve several key functions:

- **Process Improvement:** Identifying opportunities to streamline workflows and improve program operations based on findings from investigations, compliance reviews, and licensing referrals.
- **Program Integrity:** Reviewing emerging program integrity concerns and sharing data and trends that highlight potential risks or gaps in oversight.
- **Policy & Statutory Recommendations:** Offering recommendations for policy revisions and statutory changes that would strengthen compliance, accountability, and enforcement mechanisms.

This collaborative approach helps ensure that both OIG and policy areas maintain a unified strategy for protecting program integrity and enhancing the quality and effectiveness of services delivered across DHS programs.

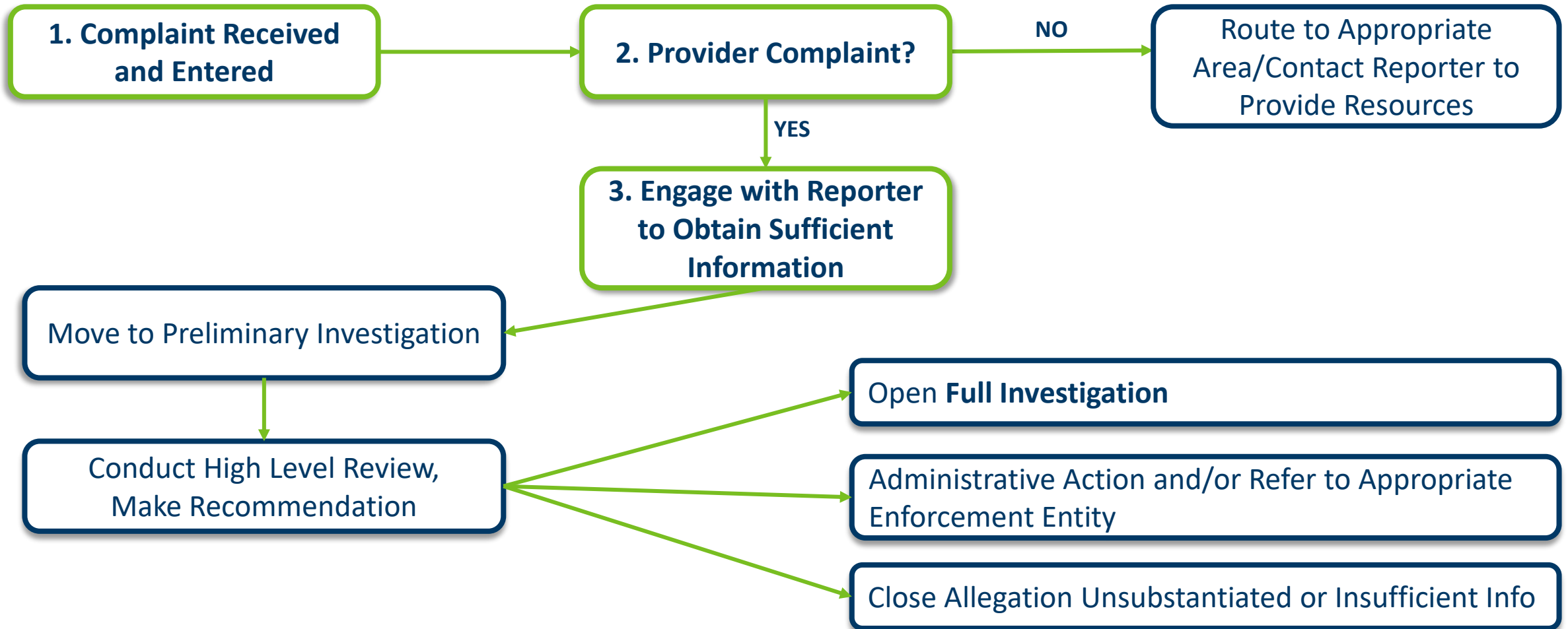
Proactively Preventing Fraud

Data analytics helps prevent and detect **fraud**, **waste**, and **abuse** in programs



- The DHS Office of Inspector General's Data Analytics and Insights (AI) unit is dedicated to Medicaid program integrity. This unit provides essential data analysis to detect fraud. It scans and sifts data to support OIG investigations and provide frontline oversight.
- DHS partners with external vendors for data analytics.
 - Unified Program Integrity Contractors (UPICs) are contracted by CMS to perform program integrity tasks for each State to detect fraud in Medicaid and Medicare. States are required by CMS to work with the UPIC assigned. MN's UPIC contractor is CoventBridge.
 - The Recovery Audit Contractor (RAC) is a third-party vendor working on behalf of CMS contracted directly with the State.
 - Medicaid Managed Care Organizations (MCOs) are private entities that DHS contracts with to deliver Medicaid services. MCOs share in responsibility for fraud detection through prepayment controls, post-payment audits and adherence to required fraud compliance programs.

Provider Complaint Process Visualized



Medicaid Eligibility for Individuals

Medical Assistance (MA) is Minnesota's **Medicaid** program for people with low income. **MA** is Minnesota's largest health care program and serves children and families, pregnant women, adults without children, seniors and people who are blind or have a disability.

Counties determine individual MA eligibility. To qualify for **MA** coverage an individual must:

- ✓ Be a U.S. citizen or a qualifying noncitizen
- ✓ Be a Minnesota resident
- ✓ Provide a Social Security number unless an exception is met
- ✓ Meet the income limit and asset limit, if applicable
- ✓ Meet other program rules

Medicaid Renewals and Other Eligibility Checks

Medical Assistance (MA) eligibility is reviewed annually to determine if an individual is still eligible. This process is called a *renewal*.

- ✓ We try to confirm continued eligibility using trusted data sources first.
- ✓ If eligibility can be confirmed, a notice and information summary is mailed to the individual to review for accuracy. They must report any changes or corrections that are needed.
- ✓ If eligibility cannot be confirmed, a renewal form is sent to the individual to complete, sign and return with required proofs. Failure to return the form results in loss of MA eligibility.
- ✓ In addition, between annual eligibility renewals data matching is conducted with trusted data sources to identify individuals who may no longer qualify.

Data Sources Used to Verify Medicaid Eligibility

Multiple Federal and State Data Sources Used to Confirm an Individual's Information

- **U.S Social Security Administration** – verify SS numbers, SSA benefits and citizenship, and identify deaths
- **U.S. Dept. of Homeland Security** – verify immigration status
- **Internal Revenue Service** – verify income
- **Equifax/The Work Number** – verify wages
- **Minnesota Department of Employment and Economic Development** – verify wages and unemployment benefits
- **Asset Verification Service** – verify certain financial accounts and identify unreported accounts for those subject to an asset test
- **Minnesota Department of Health** - identify deaths

Medicaid Unwind

- During COVID-19, states received extra federal funding to keep people continuously enrolled in Medicaid
- This paused regular eligibility checks and renewals
- As of March 31, 2023, the continuous enrollment provision ended
- Minnesota began rechecking eligibility for all enrollees – its *largest-ever renewal workload* in program history
- This process was completed as of June 2024.

Translating laws into action

- DHS must now implement laws enacted by the 2025 Legislature.
- Paramount to this work is ensuring that laws are implemented according to the letter of the law and as intended.
- DHS looks forward to ongoing collaboration with community partners to communicate new requirements, seek federal approval where needed, update systems, and assess the impact of new laws.
- DHS is analyzing the recent federal bill that will drastically impact Medicaid.



Federal Changes to Medicaid

- Shifted costs
- Severe funding restrictions
- Additional barriers to coverage





Q&A

**Thank
You**