

WAC 182-502A-0401 Program integrity activities. The medicaid agency verifies entities' compliance with applicable laws, rules, regulations, and agreements through program integrity activities.

(1) **Methods.** Program integrity activity methods include, but are not limited to:

(a) Data mining to identify possible fraud, waste, and abuse (FWA) for further examination;

(b) Audits and reviews to determine compliance with federal, state, and agency rules and regulations, or to identify FWA;

(c) Investigations of suspected fraud and abuse;

(d) Algorithms to identify payment, program, and system irregularities leading to improper payments;

(e) On-site reviews and inspections of an entity's premises to ensure compliance with federal, state, and agency rules and regulations;

(f) Referral of enforcement actions against entities that have committed fraud or abuse to law enforcement agencies, or licensing agencies, or both;

(g) Technical assistance and education to prevent and identify potential FWA;

(h) Outreach to and education for entities and client communities, including how to report suspected fraud, explaining federal, state, and agency rules and requirements, conducting entity self-audits and implementing compliance programs; and

(i) Initiating and reviewing entity self-audits under WAC 182-502A-0501.

(2) **Location.** Program integrity activities occur at the agency, an entity's premises, or at both locations.

(3) **Timing.** The agency may begin program integrity activities concerning any current or former agency-contracted entity or that entity's agent at any time up to six years after the date of service.

(4) **Notice.**

(a) The agency provides thirty-calendar-days' notice to entities before an on-site visit, except in those instances identified in (c) of this subsection.

(b) Hospitals are entitled to notice as described in RCW 70.41.045(4).

(c) The agency is not required to give notice of an on-site visit if evidence exists of danger to public health and safety or fraudulent activities.

(5) **Scope.** The agency determines the scope of a program integrity activity.

(6) **Selecting information to evaluate.**

(a) The agency may evaluate any records or other information relevant to validating that the entity received only those funds to which it is legally entitled.

(b) The agency may select information to evaluate by:

(i) Conducting a risk assessment of claim or encounter data;

(ii) Applying algorithms;

(iii) Data mining;

(iv) Claim-by-claim review;

(v) Encounter-by-encounter review;

(vi) Stratified random sampling;

(vii) Nonstratified random sampling; or

(viii) Applying any other method, or combination of methods, designed to identify relevant information.

(7) **Collecting records and other information to evaluate.**

(a) After the agency serves notice, an entity must submit a copy of all records and other information requested to the agency by the date stated in the request.

(b) The entity must submit records electronically or by facsimile and must follow the instructions for records submission included in the agency's notice, unless the agency gives the entity permission to submit a hard copy of the records.

(c) If sent electronically, records must be:

(i) Copied to secured media (e.g., CD or DVD) and sent to the address stated in the notice; or

(ii) Uploaded to the agency's secure file transfer protocol (SFTP) site.

(d) If an entity submits hard copy records without prior approval, the agency destroys the records and requires the entity to resubmit them in an electronic format.

(e) If an entity fails to timely comply with the request, the agency may:

(i) Deny the entity's claim under a prepay review process;

(ii) Issue a preliminary finding; or

(iii) Issue a final notice.

(f) Once a program integrity activity begins, the entity must retain all original records and supportive materials until the program integrity activity is completed and all issues resolved, even if the retention period for those records and materials extends beyond the period otherwise required by law.

(g) Unless instructed to do so by the agency, the entity must not adjust or rebill a claim or encounter that is within the scope of a program integrity activity until that activity ends and any resulting appeals are exhausted.

(8) **Cooperation with on-site visits, audits, and investigations.** For an on-site visit, audit, or investigation, the entity must allow the agency access to its premises and provide any records or other information requested while on-site.

(9) **Evaluating information.**

(a) The agency may evaluate relevant information by applying any method or combination of methods reasonably calculated to determine whether an entity has complied with an applicable law, regulation, or agreement.

(b) A health care provider's bill for services, appointment books, accounting records, or other similar documents alone do not qualify as appropriate documentation of services rendered.

(c) The agency provides the entity a description of the method or combination of methods used by the agency to select information to evaluate.

(10) **Nonbilled services.** Nonbilled services include any item, drug, code, or payment group that a provider does not submit on the provider's claim to the agency or contractor. When calculating improper payments, the agency does not include nonbilled services in its calculations.

(11) **Paid-at-zero services.** The agency considers paid-at-zero services or supplies only when conducting program integrity activities involving payment groups or encounters.

(12) **Conducting on-site audits.** The agency may conduct on-site audits at any entity location.

(a) During an on-site audit, the agency may create a copy of an entity's records that are potentially relevant to the audit.

(b) Failure to grant the agency access to the entity's records or premises constitutes failure to comply with a program integrity activity.

(13) **Conducting interviews.** The agency may interview any person it reasonably believes has relevant information regarding a program integrity activity. Interviews may consist of one or more sessions.

(14) **Costs.** The agency does not reimburse the costs an entity incurs complying with program integrity activities.

(15) **Conducting on-site visits.** The agency may conduct on-site inspections of any entity location to determine whether the entity is complying with all applicable laws, rules, regulations, and agreements.

[Statutory Authority: RCW 41.05.021, 41.05.160, and C.F.R. Sections 438.608 through 438.610. WSR 20-02-100, § 182-502A-0401, filed 12/31/19, effective 1/31/20. Statutory Authority: RCW 41.05.021, 41.05.160, 2017 c 242. WSR 18-07-050, § 182-502A-0401, filed 3/14/18, effective 4/14/18. Statutory Authority: RCW 41.05.021 and 41.05.160. WSR 15-01-129, § 182-502A-0401, filed 12/19/14, effective 1/19/15.]