



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

You Knew the Day Would Come- Preparing for the Challenges and Opportunities of MFCU Data Mining

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The Past

- Longstanding MFCU Regulation Prohibited Use of Federal Funds for Data Mining
 - Prohibits fishing for cases, whether through data mining, EOBs, or other methods
- Rationale for Prohibition
 - Fear of duplication of resources (PIU and MFCU)
 - Possible concern that MFCU lacked sufficient knowledge of changes in program landscape that might make suspicious behavior allowable





The Transition

- MFCUs have long requested that OIG allow them to conduct data analysis activities for possible fraud
 - OIG requires that MFCUs strive to have caseload that is representative of the service programs billing Medicaid, yet this is difficult if they rely solely on referrals for their caseloads
 - OIG has seen general improvement in ability of MFCUs and PIUs to cooperate and collaborate successfully
 - Data analysis is no longer a necessarily costly activity





The Present

42 CFR 1007.20(a) now permits Federal financial participation in costs of data mining if certain criteria are satisfied. For OIG to determine whether a Unit meets those criteria, a Unit must submit an application.





Elements of MFCU Data Mining Application

A complete application for data mining must contain the following elements:

Methods of Coordination: MFCU identifies the methods of coordination between the MFCU and State Medicaid agency (SMA). The application must

- Identify procedures that will be in place to coordinate data mining activities with the SMA. Procedures will address how duplication of effort will be avoided.
- Identify the positions that will serve as primary points of contact for data mining at the MFCU and the SMA.
- Include proposed language for amended memorandum of understanding between MFCU and SMA.
- Describe the SMA's level of support for the data mining application.





Application Elements, Continued

Staffing and Training:

- MFCU must identify the staff who will conduct data mining, and provide their job description(s), and describe the specialized training in data mining techniques that the MFCU staff engaged in data mining will receive

Reporting: MFCU describes how it will collect, track and report on:

- All costs expended that year attributed to data mining activities
- The amount of staff time devoted to data mining activities
- The number of cases generated from those activities
- The outcome and status of those cases, including the expected and actual monetary recoveries (both Federal and non-Federal share)
- Any other relevant indicators of return on investment from data mining activities

Budget Implications:

- MFCU must describe the anticipated costs of implementing data mining, including staff time and equipment costs





Application Process

- Once submitted, the OIG has 90 days from receipt to review a written request, consult with the Centers for Medicare & Medicaid Services (CMS), and approve or deny the application.
 - The regulations provide that if OIG fails to respond within 90 days, the request shall be considered approved.
- OIG may request additional information in writing. Upon receiving the additional information, the regulation provides that OIG will have 90 days from receiving the information to approve or deny the request.





Florida Data Mining Waiver

- In July, 2010, CMS granted an 1115 waiver to Florida of CFR 1007.19
- In September, 2010, MFCU and AHCA entered into MOU that provides for
 - Coordination to ensure that data mining activities were not duplicative
 - In person meetings at least monthly between the agencies re data mining projects, during which they
 - review MFCU proposal to determine whether they duplicate AHCA activities, and
 - interpret the outcome of data output generated by mining projects and to exchange information regarding potential projects
 - May discuss utility of coordinated efforts with respect to proposed data mining objectives
- Data mining activities to date comprise <1% of MFCU’s budget
- MFCU initiated 52 “complaints” which resulted in opening of 28 cases through data mining. 12 of those cases have been closed.
- 2.5% of their complaints, and 3% of open cases since 2010 have come from data mining (http://www.fdhc.state.fl.us/Medicaid/MEDS-AD/MEDS_AD_Waiver_Renewal_Request_06-28-2013.pdf)





The Future of MFCU Data Mining

- Data mining will become an additional tool through which MFCUs identify potential cases
- Unknown how many MFCUs will apply to initiate data mining activities
- OIG encourages PIUs to cooperate and collaborate if their MFCU expresses interest in data mining

