

**205.6318 Cabinet to establish integrated system to enhance program integrity of Medical Assistance Program.**

The Cabinet for Health and Family Services shall review the available technology associated with the medical assistance system to determine which technology is best suited to enhance program service operation, monitoring ability, and fraud and abuse detection. This shall include the ability to provide on-line access to data files to allow cross-analysis of provider and recipient utilization patterns. The cabinet shall by promulgation of administrative regulations, pursuant to KRS Chapter 13A, establish an integrated system to enhance program integrity, using a combination of staff, computer technology, and contractual services to identify potential fraud, abuse, and misutilization of services. This system shall:

- (1) Utilize statisticians, program specialists, accountants, nurses, and other medical specialists to review the Medical Assistance Program to identify patterns of provider and recipient behavior that contributes to unnecessary or abusive use of program services;
- (2) Utilize computer capability through contractual services or the purchase of computer software to detect the unbundling of claims and other techniques used by providers to enhance reimbursement;
- (3) Impose utilization controls on the expenditures in respiratory, physical, speech, and occupational therapy and durable medical equipment provided to nursing-home residents, through the use of established medical criteria or preauthorization of ancillary therapies;
- (4) Establish state audit and edit requirements that exceed the federal audit and edit requirements;
- (5) Obtain access to necessary data from the fiscal agent of each medical provider;
- (6) Review the efficiency and effectiveness of the fraud and abuse detection and investigation process to determine whether changes shall be made;
- (7) Direct that fraud and abuse detection and investigation components shall be active in initiating investigations. The fraud and abuse detection, investigation, and prosecution functions shall be integrated, with access to information in files maintained by the Department for Community Based Services and the Department for Medicaid Services;
- (8) Review penalties for deterrent value for medical providers that are found to have abused Medicaid regulations and statutes; and
- (9) Provide for a proactive effort to reduce costs for institutionalized program participants. Program officials shall seek to implement innovative or experimental demonstration programs that aim to control costs.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 99, sec. 251, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 14, sec. 33, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 426, sec. 209, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 512, sec. 76, effective July 15, 1994.