



Normative Letter 16-1007

October 7, 2016

TO: All Managed Care Organizations Contracted for the Provision of Physical and Behavioral Health Service under the Government Health Plan of Puerto Rico

RE: Claim Audit Program

Section 23.1.1 of the contract between ASES and all MCOs establishes that the “Contractor shall be responsible for the sound financial management of Puerto Rico and Federal funds provided to the Contractor under the GHP Program”.

Consequently, it is imperative that all managed care organizations (MCOs) serving Puerto Rico Medicaid population have in place a Medicaid Integrity Audit Plan including but not limited to the implementation of overpayment recovery claims audit programs. Such audit program must serve to detect, validate, and recover improper payments such as overpaid claims since the beginning of the existing contracts (i.e. April 1, 2015). The program must include at least the following elements:

1. Audit of all claim types for the health plan’s region(s) including but not limited to:
 - a. Inpatient (Institutional)
 - b. Outpatient (Facility)
 - c. Professional
 - d. Ancillary services
 - e. Medical Pharmacy (J/Q/A Codes)
2. Paid claim data since April 2015, audit progress, overpaid claims, and collection status must be managed and performed in a manner and in a software system that allows secure remote access by any health plan, audit and ASES staff. This must be accomplished by utilizing technology that allows secure web access and/or VPN connectivity through the MCO and/or an outside vendor.
3. The audit program must include proven technology for the detection of overpayments within large health plan environments. Said program must include industry recognized algorithms, not relying on spreadsheets through manual process. Also, it must be able to execute thorough reviews of all paid claims for all claim type categories.

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ASES will ascertain all MCOs comply with these requirements. As a result, all MCOs must submit the following information to ASES' Compliance Department no later than the following deadlines below:

- a. Notification of technology – Using vendor or internal development – 30 days after receiving this communication
- b. Detailed implementation plan – 60 days after receiving this communication
- c. First audits to begin – 120 days after receiving this communication

Failure to comply with these deadlines could result in sanctions and fines as contemplated in the Contract, Articles 19 and 20.

Cordially,



Ricardo A. Rivera Cardona
Executive Director