

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**NORTH CAROLINA STATE
MEDICAID FRAUD CONTROL
UNIT: 2016 ONSITE REVIEW**



**Suzanne Murrin
Deputy Inspector General
for Evaluation and Inspections**

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**EXECUTIVE SUMMARY: NORTH CAROLINA STATE MEDICAID FRAUD
CONTROL UNIT: 2016 ONSITE REVIEW
OEI-07-16-00070**

WHY WE DID THIS STUDY

The Office of Inspector General (OIG) administers the Medicaid Fraud Control Unit (MFCU or Unit) grant awards, annually recertifies the Units, and oversees the Units' performance in accordance with the requirements of the grant. As part of this oversight, OIG conducts periodic onsite reviews of all Units and prepares public reports based on these reviews. These reviews assess the Units' adherence to the 12 MFCU performance standards and compliance with applicable Federal statutes and regulations.

HOW WE DID THIS STUDY

We conducted an onsite review of the North Carolina Unit in March 2016. We based our review on an analysis of data from seven sources: (1) policies, procedures, and documentation related to the Unit's operations, staffing, and caseload; (2) financial documentation for fiscal years (FYs) 2013 through 2015; (3) structured interviews with key stakeholders; (4) a survey of Unit staff; (5) structured interviews with the Unit's management; (6) a sample of files for cases that were open in FYs 2013 through 2015; and (7) observation of Unit operations.

WHAT WE FOUND

For FYs 2013 through 2015, the North Carolina Unit reported 57 convictions, 49 civil judgments and settlements, and combined criminal and civil recoveries of over \$134 million. Our review of the North Carolina Unit found that it was generally in compliance with applicable laws, regulations, and policy transmittals. However, we identified three areas where the Unit should improve its operations. Specifically, 8 percent of the case files did not contain any periodic supervisory reviews of cases. In addition, the Unit did not report all convictions and adverse actions to Federal partners in a timely manner. Finally, the Unit's case management system posed challenges to retrieving case information. We noted that the Unit partnered with another State agency to design and deliver a specialized training course for new investigators.

WHAT WE RECOMMEND

We recommend that the North Carolina Unit: (1) conduct and document supervisory reviews of Unit case files according to the Unit's policies and procedures, (2) implement processes to ensure it reports convictions and adverse actions to Federal partners within required timeframes, and (3) proceed with plans to replace the Unit's case management system to ensure case information is readily accessible to Unit staff as needed. The Unit concurred with all three recommendations.

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OBJECTIVE

To conduct an onsite review of the North Carolina State Medicaid Fraud Control Unit (MFCU or Unit).

BACKGROUND

The mission of MFCUs is to investigate and prosecute Medicaid provider fraud and patient abuse or neglect under State law.¹ The SSA requires each State to operate a MFCU, unless the Secretary of Health and Human Services (HHS) determines that operation of a Unit would not be cost-effective because minimal Medicaid fraud exists in a particular State and that the State has other adequate safeguards to protect Medicaid beneficiaries from abuse and neglect.² Currently, 49 States and the District of Columbia (States) have MFCUs.³

Each Unit must employ an interdisciplinary staff that consists of at least an investigator, an auditor, and an attorney.⁴ Unit staff review referrals of potential fraud and patient abuse or neglect to determine their potential for criminal prosecution and/or civil action. In fiscal year (FY) 2015, the 50 Units collectively reported 1,553 convictions, 795 civil settlements or judgments, and approximately \$745 million in recoveries.^{5, 6}

Units must meet a number of requirements established by the SSA and Federal regulations. For example, each Unit must:

- be a single, identifiable entity of State government, distinct from the single State Medicaid agency;⁷
- develop a formal agreement, such as a memorandum of understanding (MOU), which describes the Unit's relationship with the State Medicaid agency;⁸ and

¹ Social Security Act (SSA) § 1903(q). Regulations at 42 CFR § 1007.11(b)(1) add that the Unit's responsibilities may include reviewing complaints of misappropriation of patients' private funds in residential health care facilities.

² SSA § 1902(a)(61).

³ North Dakota and the territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands have not established Units.

⁴ SSA § 1903(q)(6); 42 CFR § 1007.13.

⁵ Office of Inspector General (OIG), *MFCU Statistical Data for Fiscal Year 2015*. Accessed at http://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/expenditures_statistics/fy2015-statistical-chart.htm on February 17, 2016.

⁶ All FY references in this report are based on the Federal FY (October 1 through September 30).

⁷ SSA § 1903(q)(2); 42 CFR § 1007.5 and 1007.9(a).

⁸ 42 CFR § 1007.9(d).

- have either statewide authority to prosecute cases or formal procedures to refer suspected criminal violations to an agency with such authority.⁹

MFCU Funding

Each MFCU is funded jointly by its State and the Federal government. Federal funding for the MFCUs is provided as part of the Federal Medicaid appropriation, but it is administered by OIG.¹⁰ Each Unit receives Federal financial participation equivalent to 75 percent of its total expenditures, with State funds contributing the remaining 25 percent.¹¹ In FY 2015, combined Federal and State expenditures for the Units totaled \$251 million, \$188 million of which represented Federal funds.¹²

Oversight of the MFCU Program

The Secretary of HHS delegated to OIG the authority to administer the MFCU grant program.¹³ To receive Federal reimbursement, each Unit must submit an initial application to OIG for approval and be recertified each year thereafter.

In annually recertifying the Units, OIG evaluates Unit compliance with Federal requirements and adherence to performance standards. The Federal requirements for Units are contained in the SSA, regulations, and policy guidance.¹⁴ In addition, OIG has published 12 performance standards that it uses to assess whether a Unit is effectively performing its responsibilities.¹⁵ The standards address topics such as staffing, maintaining adequate referrals, and cooperation with Federal authorities. Appendix A contains the performance standards.

OIG also performs periodic onsite reviews of the Units, such as this review of the North Carolina MFCU. During these onsite reviews, OIG evaluates Units' compliance with laws, regulations, and policies, as well as adherence to the 12 performance standards. OIG also makes observations about best practices, provides recommendations to the Units, and monitors the

⁹ SSA § 1903(q)(1).

¹⁰ SSA § 1903(a)(6)(B).

¹¹ Ibid.

¹² OIG, *MFCU Statistical Data for Fiscal Year 2015*. Accessed at http://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/expenditures_statistics/fy2015-statistical-chart.htm on February 17, 2016.

¹³ The SSA authorizes the Secretary of HHS to award grants to the Units (SSA § 1903(a)(6)(B)); the Secretary delegated this authority to the OIG.

¹⁴ On occasion, OIG issues policy transmittals to provide guidance and instructions to MFCUs.

¹⁵ 77 Fed. Reg. 32645 (June 1, 2012). Accessed at <http://www.oig.hhs.gov/authorities/docs/2012/PerformanceStandardsFinal060112.pdf> on April 7, 2016.

implementation of the recommendations. These evaluations differ from other OIG evaluations as they support OIG's direct administration of the MFCU grant program. These evaluations are subject to the same internal quality controls as other OIG evaluations, including internal peer review.

OIG provides additional oversight including the collection and dissemination of performance data, training, and technical assistance.

North Carolina Unit

The Unit, known as the Medicaid Investigations Division of the North Carolina Department of Justice, investigates and prosecutes cases of Medicaid fraud and patient abuse and neglect. To investigate and prosecute such cases, the Unit employs staff in positions including attorneys, criminal justice analysts, sworn and non-sworn investigators, and investigative auditors.¹⁶ The sworn investigators, also known as special agents, work for the Unit through a Memorandum of Understanding (MOU) with the North Carolina State Bureau of Investigation (SBI). Additionally, the Unit employs administrative and paralegal staff.

At the time of our review, the Unit's 55 employees were located in two offices. The Unit's main office is in the State capital, Raleigh, and its branch office is located in Charlotte. Our onsite review was of the Raleigh location. The North Carolina Unit expended \$5,350,038 in combined State and Federal funds in FY 2015.¹⁷

Referrals. The Unit receives referrals from a variety of sources, including but not limited to, the State Medicaid agency, local law enforcement, and private citizens. A committee comprised of the Unit director, deputy director, chief attorneys, and financial investigation supervisors reviews referrals monthly to determine whether referrals should be accepted or declined. Appendix B identifies Unit referrals by referral source for FYs 2013 through 2015.

Investigations and Prosecutions. If the Unit accepts a referral, it will open a case. An attorney and one or more investigators will be assigned to each case. The North Carolina Department of Justice has no original criminal prosecutorial authority; this authority is vested exclusively with the District Attorneys located across the State. However, District Attorneys may authorize Unit attorneys to prosecute criminal matters in State courts by

¹⁶ The Unit refers to its non-sworn investigators as "financial investigators."

¹⁷ OIG, *MFCU Statistical Data for Fiscal Year 2015*. Accessed at http://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/expenditures_statistics/fy2015-statistical-chart.pdf on February 17, 2016.

designating them special prosecutors. Alternatively, Unit attorneys may be appointed as Special Assistant United States Attorneys to prosecute criminal cases in Federal court. Unit attorneys have the authority to prosecute civil cases in State court under the North Carolina State False Claims Act.¹⁸

Previous Review

In 2009, OIG conducted an onsite review of the North Carolina Unit. OIG found that many of the Unit's case files did not include all required documentation of approvals to open and close cases. OIG also found that supervision of the SBI's special agents assigned to the Unit was shared by the Unit director and the SBI special agent in charge. The SBI special agent in charge and the special agents were housed in offices on a separate floor of the building from the rest of the Unit. As a result of its review, OIG made one suggestion and one recommendation.

OIG suggested that the Unit include interim investigative memorandums to document case openings and closings, as well as the progress of cases. In response, the Unit revised its opening, closing, and quarterly case review forms and required that they be included in the case files. Our 2016 onsite review found no evidence of a failure to document the opening and closing of cases.

OIG recommended that the Unit's MOU with SBI clearly delineate supervisory authority over the assigned special agents. In November 2009, the Unit and the SBI entered into an MOU stating that the special agents will be supervised by a special agent in charge and the special agent in charge will report to the Unit director regarding to duties, responsibilities, and work assignments. In February 2016, the Unit updated its MOU to reflect a reorganization of the SBI and reconfirm the Unit's supervision of the special agents and special agent in charge.

METHODOLOGY

We conducted the onsite review in March 2016. We based our review on an analysis of data from seven sources: (1) policies, procedures, and documentation related to the Unit's operations, staffing, and caseload; (2) financial documentation for FYs 2013 through 2015; (3) structured interviews with key stakeholders; (4) a survey of Unit staff; (5) structured interviews with Unit management and selected staff; (6) a sample of files for cases that were open at any time in FYs 2013 through 2015; and (7) observation of Unit operations. Appendix C provides details of our methodology.

¹⁸ N.C. Gen. Stat. §§ 1-605 through 1-618.

Standards

These reviews are conducted in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

FINDINGS

For FYs 2013 through 2015, the North Carolina Unit reported 57 criminal convictions, 49 civil judgments and settlements, and combined criminal and civil recoveries of over \$134 million

For FYs 2013 through 2015, the Unit reported 57 criminal convictions and 49 civil judgments and settlements. See Table 1 for the Unit's yearly criminal convictions and civil judgments and settlements. Of the Unit's 57 convictions over the 3-year period, 49 involved provider fraud and 8 involved patient abuse and neglect.

Table 1: North Carolina MFCU Criminal Convictions and Civil Judgments and Settlements, FYs 2013–2015

Outcomes	FY 2013	FY 2014	FY 2015	3-Year Total
Criminal Convictions	30	9	18	57
Civil Judgments and Settlements	18	15	16	49

Source: OIG, MFCU statistical data FYs 2013-2015.

For the same period, the Unit reported combined criminal and civil recoveries of over \$134 million. Forty-two percent of the total recoveries during the 3-year review period were derived from cases directly investigated by the Unit; 58 percent of recoveries were obtained from “global” cases.¹⁹ See Table 2 for the Unit's yearly recoveries and expenditures.

¹⁹ “Global” cases are civil false claims actions involving the U.S. Department of Justice and other State MFCUs. The National Association of Medicaid Fraud Control Units facilitates the settlement of global cases.

Table 2: North Carolina MFCU Recoveries and Expenditures, FYs 2013–2015

Type of Recovery	FY 2013	FY 2014	FY 2015	3-Year Total
Global Civil	\$31,654,976	\$44,661,812	\$1,536,510	\$77,853,298
Nonglobal Civil	\$1,103,238	\$7,408,232	\$13,418,973	\$21,930,443
Criminal	\$13,481,054	\$13,248,842	\$7,633,026	\$34,362,922
Total Recoveries*	\$46,239,268	\$65,318,886	\$22,588,509	\$134,146,663
Total Expenditures	\$5,357,886	\$5,190,481	\$5,350,038	\$15,898,405

*Recovery amounts vary from year to year due to particular settlements. For example, \$39 million of the Unit's global civil recoveries in FY 2014 came from the settlement of one large pharmaceutical case.

Source: OIG, MFCU statistical data FYs 2013-2015 and OIG analysis of Unit-submitted documentation, 2016.

North Carolina's global recoveries declined from more than \$44 million in FY 2014 to approximately \$1.5 million in FY 2015. This is consistent with a national trend of declining civil health care fraud complaints and settlements, especially those involving pharmaceutical companies.²⁰

Eight percent of the case files did not contain documentation of any periodic supervisory reviews; however, supervisors documented the opening and closing of nearly all cases

Eight percent of the Unit's case files lacked documentation of any periodic supervisory reviews.²¹ An additional 68 percent of case files either were missing documentation of one or more reviews, or contained documentation of the dates that reviews took place but did not indicate if a supervisor participated in the reviews, for a total of 76 percent of case files that did not contain documentation of all periodic supervisory reviews.

Performance Standard 7(a) states that supervisors should periodically review the progress of cases consistent with Unit policies and procedures, and note in the case file that the reviews took place. The Unit's policy for

²⁰ From the 1990s through the early 2000s, a significant number of pharmaceutical companies were the subject of large monetary settlements in civil fraud actions. As a condition of those settlements, pharmaceutical companies were required to adopt corporate integrity agreements that were designed to prevent future abusive practices. Other corporations have adopted voluntary compliance programs, promoted by OIG, which may have further reduced the incidence of fraud allegations. See OIG Compliance Program Guidance for Pharmaceutical Manufacturers, 68 Fed. Reg. 23731 (May 5, 2003), available at <http://www.oig.hhs.gov/authorities/docs/03/050503FRCPGPharmac.pdf>.

²¹ Appendix D contains the point estimates and 95-percent confidence intervals for all statistics in this report.

supervisory reviews of criminal cases states that the attorney, investigator, and supervisor should meet quarterly to review progress of cases.²² The policy further states that the date of the case review and participating staff should be documented. The Unit's policy for supervisory review of civil cases stated that such cases should be reviewed every 180 days.

However, we found that nearly all files contained documentation of supervisory approval to open and close cases. Performance Standard 5(b) states that Unit supervisors should approve the opening and closing of cases. The Unit's policies and procedures require opening and closing memorandums to document the opening and closing of cases. Ninety-nine percent of the Unit's case files included documentation of supervisory approval to open the cases and all of the Unit's closed case files in our sample included documentation of supervisory approval to close the cases.²³ Supervisory approval to open cases indicates that Unit supervisors are monitoring the intake of cases, thereby facilitating progress in the investigation. Supervisory approval to close cases helps ensure the timely completion and resolution of cases.

The Unit did not report all convictions and adverse actions to Federal partners in a timely manner

The Unit did not report all convictions to OIG for the purpose of program exclusion, nor did it report all adverse actions to the National Practitioner Data Bank (NPDB), within the required timeframes. Performance Standard 8(f) states that the Unit should transmit to OIG reports of all convictions for the purpose of exclusion from Federal health care programs within 30 days of sentencing. Additionally, Federal regulations require that Units report any adverse actions, generated as a result of

²² From October 1, 2014, through September 30, 2015, the Unit changed its requirements to monthly reviews.

²³ All closed case files in our sample included documentation of supervisory approval to close the cases. However, we cannot be certain—because of sampling error—that all of the Unit's closed case files in the review period included this documentation. As a statistical matter, we are 95-percent confident that at least 95.6 percent of the closed cases in the population had documentation of supervisory approval to close the case.

prosecutions of healthcare providers, to the NPDB within 30 calendar days of the adverse action.^{24, 25}

The Unit did not report about half of its convictions to OIG in a timely manner

The Unit obtained 57 convictions in the review period. The Unit did not report 32 of 57 convictions (56 percent) within 30 days of sentencing. Table 3 shows how many days after sentencing the Unit reported these convictions to OIG.

Table 3: Number of Convictions Reported to OIG After Required Timeframe

Federal Partner Reported To	Convictions Reported Within 31 to 60 Days After Sentencing	Convictions Reported Within 61 to 90 Days After Sentencing	Convictions Reported More Than 90 Days After Sentencing	Total Convictions Reported More Than 30 Days After Sentencing
OIG	10	7	15	32

Source: OIG analysis of Unit convictions and dates reported to OIG, 2016.

The Unit reported three reasons for not reporting convictions to OIG within the required timeframe. First, until July 2013, the Unit’s practice was to report convictions quarterly rather than “within 30 days of sentencing” per the Performance Standard 8(f). Second, the Director stated that staff delays in submitting the necessary paperwork to OIG contributed to some of the late reports. Third, the Director stated that in some instances, the Unit did not obtain sentencing documents from the courts in time to meet the 30-day requirement. The Unit provided documentation to us showing that it received sentencing documents for five convictions more than 30 days after the sentencing dates. Late reporting of convictions to OIG delays the initiation of the program exclusion process, which may result in improper payments to providers by Medicare or other Federal health care programs or possible harm to beneficiaries. Our analysis found that no Medicare or Medicaid claims were paid to the late-reported providers.

²⁴ SSA § 1128E(g)(1); 45 CFR § 60.3. Examples of adverse actions include criminal convictions; civil judgments (but not civil settlements); exclusions; and other negative actions or findings.

²⁵ 45 CFR § 60.5. Both Federal regulations and the performance standards require the Unit to report to NPDB. Performance Standard 8(g) states that the Unit should report “qualifying cases to the Healthcare Integrity & Protection Databank [HIPDB], the National Practitioner Data Bank, or successor data bases.” We reviewed the reporting of adverse actions under NPDB requirements because the HIPDB and the NPDB were merged during our review period (FYs 2013 through 2015). 78 Fed. Reg. 20473 (April 5, 2013).

The Unit did not report one-third of its adverse actions to the NPDB in a timely manner

The Unit did not report 19 of 57 adverse actions (33 percent) to the NPDB within 30 days of the actions. Table 4 shows how many days after the adverse action that the Unit reported the action to NPDB.

Table 4: Number of Adverse Actions Reported to NPDB After Required Timeframes

Federal Partner Reported To	Adverse Actions Reported Within 31 to 60 Days After the Action	Adverse Actions Reported Within 61 to 90 Days After the Action	Adverse Actions Reported More Than 90 Days After the Action	Total Adverse Actions Reported More Than 30 Days After the Action
NPDB	12	5	2	19

Source: OIG analysis of Unit convictions and dates reported to NPDB, 2016.

On average, the Unit reported these adverse actions 60 days after the actions. In contrast to the Unit’s late reporting of convictions to OIG, the Unit reported only 2 actions to NPDB more than 90 days late. The Director offered that the Unit received sentencing documents for five adverse actions more than 30 days after the dates of sentencing. The NPDB is intended to restrict the ability of physicians, dentists, and other health care practitioners to move from State to State without disclosure or discovery of previous medical malpractice and adverse actions.

The Unit’s case management system posed challenges for retrieving case information

Performance Standard 7 states that Units must maintain case files in an effective manner and develop a case management system that allows efficient access to case information. In our staff survey, 36 of 43 staff responded that they use the Unit’s case management system. Of the 36 staff that use the system, 22 expressed concerns about the system, including difficulties using the system, slowness, and storage limitations. Regarding difficulties using the system, respondents noted (1) differences in the way users organize and title documents, making it difficult to search and retrieve the same documents at a later date; (2) the lack of a field for specifying the source of documents; and (3) the lack of a mechanism to link documents within a single case file or among separate case files.

The OIG investigator also noted that the way in which documents were titled and organized in the case management system made it difficult to review files. The Unit director acknowledged certain limitations and shortcomings of the case management system and said the Unit plans to obtain a new system.

Other observation: The Unit partnered with another State agency to create a Financial Investigator Academy

Recognizing the training needs of newly-hired financial investigators, in early 2013 the Unit partnered with the North Carolina State Bureau of Investigation, Financial Crimes Section, to create the North Carolina Financial Investigators Academy. The Academy consists of six 2-day sessions over a 5 to 6 month timeframe. The content includes over 100 hours of instruction on topics including elements of criminal law, search and seizure, interviewing, and testifying. As part of the Academy, attendees participate in a mock trial. The Unit requires all of its newly-hired financial investigators to attend the course, regardless of years of investigative experience. To date, 22 Unit staff have attended. According to the Director, attendees reported that the training gave them greater confidence in conducting interviews and interrogations and in testifying in court.

CONCLUSION AND RECOMMENDATIONS

Our review of the North Carolina Unit found that it was generally in compliance with applicable laws, regulations, and policy transmittals. For FYs 2013 through 2015, the North Carolina Unit reported 57 criminal convictions and 49 civil judgments and settlements, and combined criminal and civil recoveries of over \$134 million. We noted that the Unit partnered with another State agency to design and deliver a specialized training course for new financial investigators.

We identified three areas where the Unit should improve its operations. Specifically, the Unit should ensure that all case files contain documentation of periodic supervisory reviews; report all convictions and adverse actions to Federal partners within required timeframes; and proceed with plans to replace its case management system.

We recommend that the North Carolina Unit:

Conduct and document supervisory reviews of Unit case files according to the Unit's policies and procedures

The Unit should take steps to ensure that employees adhere to the Unit's written policy for conducting and documenting supervisory reviews of cases.

Implement processes to ensure it reports convictions and adverse actions to Federal partners within required timeframes

The Unit should implement processes to ensure it reports convictions to OIG within 30 days of sentencing and adverse actions to NPDB within 30 days of the action.

Replace the Unit's case management system

The Unit should proceed with plans to replace the Unit's case management system to make case data readily accessible to Unit staff.

UNIT COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

The North Carolina Unit concurred with all three of our recommendations.

Regarding the first recommendation, the Unit stated that it revised its supervisory review form to document the presence of the supervisor and is in the process of adding a place on the review form for the supervisor's signature as additional documentation. The Unit also stated that its policy during the review period did not require documentation of periodic supervisory reviews for civil cases. In October 2015, the Unit implemented a new 180-day case review requirement for civil cases. The Unit stated that it has implemented a monitoring procedure that includes reviewing samples of case files to ensure that supervisory reviews are conducted and documented in accordance with Unit policies. Further, the Unit stated that it met with supervisors in 2015 to emphasize that reviews should be conducted and documented for all types of cases in accordance with Unit policies.

Regarding the second recommendation, the Unit stated that by the beginning of 2016, it notified staff about the 30-day reporting deadlines, implemented additional electronic reminders, and added a 30-day reporting field in its case tracking system. Further, the Unit suggested that OIG adopt for Federal cases a definition of the 30 day reporting requirement to consider the date that the court clerk enters judgement of sentence, rather than the date when the judge announces the sentence. The Unit may wish to offer this suggestion as a formal comment to the OIG's notice of proposed rulemaking to revise regulations governing the Units contained in 81 FR 64383 (Sept 20, 2016).

Regarding the third recommendation, the Unit plans to pursue budget and funding support for upgrading its case management system. In the interim, the Unit has developed and installed a new Access-based case tracking system that allows it to quickly query and retrieve case information. The Unit also standardized its organization and titling of documents.

The Unit's comments are provided in Appendix E.

APPENDIX A

2012 Performance Standards²⁶

1. A UNIT CONFORMS WITH ALL APPLICABLE STATUTES, REGULATIONS, AND POLICY DIRECTIVES, INCLUDING:
A. Section 1903(q) of the Social Security Act, containing the basic requirements for operation of a MFCU;
B. Regulations for operation of a MFCU contained in 42 CFR part 1007;
C. Grant administration requirements at 45 CFR part 92 and Federal cost principles at 2 CFR part 225;
D. OIG policy transmittals as maintained on the OIG Web site; and
E. Terms and conditions of the notice of the grant award.
2. A UNIT MAINTAINS REASONABLE STAFF LEVELS AND OFFICE LOCATIONS IN RELATION TO THE STATE'S MEDICAID PROGRAM EXPENDITURES AND IN ACCORDANCE WITH STAFFING ALLOCATIONS APPROVED IN ITS BUDGET.
A. The Unit employs the number of staff that is included in the Unit's budget estimate as approved by OIG.
B. The Unit employs a total number of professional staff that is commensurate with the State's total Medicaid program expenditures and that enables the Unit to effectively investigate and prosecute (or refer for prosecution) an appropriate volume of case referrals and workload for both Medicaid fraud and patient abuse and neglect.
C. The Unit employs an appropriate mix and number of attorneys, auditors, investigators, and other professional staff that is both commensurate with the State's total Medicaid program expenditures and that allows the Unit to effectively investigate and prosecute (or refer for prosecution) an appropriate volume of case referrals and workload for both Medicaid fraud and patient abuse and neglect.
D. The Unit employs a number of support staff in relation to its overall size that allows the Unit to operate effectively.
E. To the extent that a Unit maintains multiple office locations, such locations are distributed throughout the State, and are adequately staffed, commensurate with the volume of case referrals and workload for each location.
3. A UNIT ESTABLISHES WRITTEN POLICIES AND PROCEDURES FOR ITS OPERATIONS AND ENSURES THAT STAFF ARE FAMILIAR WITH, AND ADHERE TO, POLICIES AND PROCEDURES.
A. The Unit has written guidelines or manuals that contain current policies and procedures, consistent with these performance standards, for the investigation and (for those Units with prosecutorial authority) prosecution of Medicaid fraud and patient abuse and neglect.
B. The Unit adheres to current policies and procedures in its operations.
C. Procedures include a process for referring cases, when appropriate, to Federal and State agencies. Referrals to State agencies, including the State Medicaid agency, should identify whether further investigation or other administrative action is warranted, such as the collection of overpayments or suspension of payments.
D. Written guidelines and manuals are readily available to all Unit staff, either online or in hard copy.
E. Policies and procedures address training standards for Unit employees.
4. A UNIT TAKES STEPS TO MAINTAIN AN ADEQUATE VOLUME AND QUALITY OF REFERRALS FROM THE STATE MEDICAID AGENCY AND OTHER SOURCES.
A. The Unit takes steps, such as the development of operational protocols, to ensure that the State Medicaid agency, managed care organizations, and other agencies refer to the Unit all suspected provider fraud cases. Consistent with 42 CFR 1007.9(g), the Unit provides timely written notice to the State Medicaid agency when referred cases are accepted or declined for investigation.

²⁶ 77 Fed. Reg. 32645 (June 1, 2012).

B. The Unit provides periodic feedback to the State Medicaid agency and other referral sources on the adequacy of both the volume and quality of its referrals.
C. The Unit provides timely information to the State Medicaid or other agency when the Medicaid or other agency requests information on the status of MFCU investigations, including when the Medicaid agency requests quarterly certification pursuant to 42 CFR 455.23(d)(3)(ii).
D. For those States in which the Unit has original jurisdiction to investigate or prosecute patient abuse and neglect cases, the Unit takes steps, such as the development of operational protocols, to ensure that pertinent agencies refer such cases to the Unit, consistent with patient confidentiality and consent. Pertinent agencies vary by State but may include licensing and certification agencies, the State Long Term Care Ombudsman, and adult protective services offices.
E. The Unit provides timely information, when requested, to those agencies identified in (D) above regarding the status of referrals.
F. The Unit takes steps, through public outreach or other means, to encourage the public to refer cases to the Unit.
5. A UNIT TAKES STEPS TO MAINTAIN A CONTINUOUS CASE FLOW AND TO COMPLETE CASES IN AN APPROPRIATE TIMEFRAME BASED ON THE COMPLEXITY OF THE CASES.
A. Each stage of an investigation and prosecution is completed in an appropriate timeframe.
B. Supervisors approve the opening and closing of all investigations and review the progress of cases and take action as necessary to ensure that each stage of an investigation and prosecution is completed in an appropriate timeframe.
C. Delays to investigations and prosecutions are limited to situations imposed by resource constraints or other exigencies.
6. A UNIT'S CASE MIX, AS PRACTICABLE, COVERS ALL SIGNIFICANT PROVIDER TYPES AND INCLUDES A BALANCE OF FRAUD AND, WHERE APPROPRIATE, PATIENT ABUSE AND NEGLECT CASES.
A. The Unit seeks to have a mix of cases from all significant provider types in the State.
B. For those States that rely substantially on managed care entities for the provision of Medicaid services, the Unit includes a commensurate number of managed care cases in its mix of cases.
D. As part of its case mix, the Unit maintains a balance of fraud and patient abuse and neglect cases for those States in which the Unit has original jurisdiction to investigate or prosecute patient abuse and neglect cases.
C. The Unit seeks to allocate resources among provider types based on levels of Medicaid expenditures or other risk factors. Special Unit initiatives may focus on specific provider types.
E. As part of its case mix, the Unit seeks to maintain, consistent with its legal authorities, a balance of criminal and civil fraud cases.
7. A UNIT MAINTAINS CASE FILES IN AN EFFECTIVE MANNER AND DEVELOPS A CASE MANAGEMENT SYSTEM THAT ALLOWS EFFICIENT ACCESS TO CASE INFORMATION AND OTHER PERFORMANCE DATA.
A. Reviews by supervisors are conducted periodically, consistent with MFCU policies and procedures, and are noted in the case file.
B. Case files include all relevant facts and information and justify the opening and closing of the cases.
C. Significant documents, such as charging documents and settlement agreements, are included in the file.
D. Interview summaries are written promptly, as defined by the Unit's policies and procedures.
E. The Unit has an information management system that manages and tracks case information from initiation to resolution.
F. The Unit has an information management system that allows for the monitoring and reporting of case information, including the following:
1. The number of cases opened and closed and the reason that cases are closed.

2. The length of time taken to determine whether to open a case referred by the State Medicaid agency or other referring source.
3. The number, age, and types of cases in the Unit's inventory/docket
4. The number of referrals received by the Unit and the number of referrals by the Unit to other agencies.
5. The number of cases criminally prosecuted by the Unit or referred to others for prosecution, the number of individuals or entities charged, and the number of pending prosecutions.
6. The number of criminal convictions and the number of civil judgments.
7. The dollar amount of overpayments identified.
8. The dollar amount of fines, penalties, and restitution ordered in a criminal case and the dollar amount of recoveries and the types of relief obtained through civil judgments or pre-filing settlements.
8. A UNIT COOPERATES WITH OIG AND OTHER FEDERAL AGENCIES IN THE INVESTIGATION AND PROSECUTION OF MEDICAID AND OTHER HEALTH CARE FRAUD.
A. The Unit communicates on a regular basis with OIG and other Federal agencies investigating or prosecuting health care fraud in the State.
B. The Unit cooperates and, as appropriate, coordinates with OIG's Office of Investigations and other Federal agencies on cases being pursued jointly, cases involving the same suspects or allegations, and cases that have been referred to the Unit by OIG or another Federal agency.
C. The Unit makes available, to the extent authorized by law and upon request by Federal investigators and prosecutors, all information in its possession concerning provider fraud or fraud in the administration of the Medicaid program.
D. For cases that require the granting of "extended jurisdiction" to investigate Medicare or other Federal health care fraud, the Unit seeks permission from OIG or other relevant agencies under procedures as set by those agencies.
E. For cases that have civil fraud potential, the Unit investigates and prosecutes such cases under State authority or refers such cases to OIG or the U.S. Department of Justice.
F. The Unit transmits to OIG, for purposes of program exclusions under section 1128 of the Social Security Act, all pertinent information on MFCU convictions within 30 days of sentencing, including charging documents, plea agreements, and sentencing orders.
G. The Unit reports qualifying cases to the Healthcare Integrity & Protection Databank, the National Practitioner Data Bank, or successor data bases.
9. A UNIT MAKES STATUTORY OR PROGRAMMATIC RECOMMENDATIONS, WHEN WARRANTED, TO THE STATE GOVERNMENT.
A. The Unit, when warranted and appropriate, makes statutory recommendations to the State legislature to improve the operation of the Unit, including amendments to the enforcement provisions of the State code.
B. The Unit, when warranted and appropriate, makes other regulatory or administrative recommendations regarding program integrity issues to the State Medicaid agency and to other agencies responsible for Medicaid operations or funding. The Unit monitors actions taken by the State legislature and the State Medicaid or other agencies in response to recommendations.
10. A UNIT PERIODICALLY REVIEWS ITS MEMORANDUM OF UNDERSTANDING (MOU) WITH THE STATE MEDICAID AGENCY TO ENSURE THAT IT REFLECTS CURRENT PRACTICE, POLICY, AND LEGAL REQUIREMENTS.
A. The MFCU documents that it has reviewed the MOU at least every 5 years, and has renegotiated the MOU as necessary, to ensure that it reflects current practice, policy, and legal requirements.
B. The MOU meets current Federal legal requirements as contained in law or regulation, including 42 CFR 455.21, "Cooperation with State Medicaid fraud control units," and 42 CFR 455.23, "Suspension of payments in cases of fraud."
C. The MOU is consistent with current Federal and State policy, including any policies issued by OIG or the Centers for Medicare & Medicaid Services (CMS).
D. Consistent with Performance Standard 4, the MOU establishes a process to ensure the receipt of an adequate volume and quality of referrals to the Unit from the State Medicaid agency.

E. The MOU incorporates by reference the <i>CMS Performance Standard for Referrals of Suspected Fraud from a State Agency to a Medicaid Fraud Control Unit</i> .
11. A UNIT EXERCISES PROPER FISCAL CONTROL OVER UNIT RESOURCES.
A. The Unit promptly submits to OIG its preliminary budget estimates, proposed budget, and Federal financial expenditure reports.
B. The Unit maintains an equipment inventory that is updated regularly to reflect all property under the Unit's control.
C. The Unit maintains an effective time and attendance system and personnel activity records.
D. The Unit applies generally accepted accounting principles in its control of Unit funding.
E. The Unit employs a financial system in compliance with the standards for financial management systems contained in 45 CFR 92.20.
12. A UNIT CONDUCTS TRAINING THAT AIDS IN THE MISSION OF THE UNIT.
A. The Unit maintains a training plan for each professional discipline that includes an annual minimum number of training hours and that is at least as stringent as required for professional certification.
B. The Unit ensures that professional staff comply with their training plans and maintain records of their staff's compliance.
C. Professional certifications are maintained for all staff, including those that fulfill continuing education requirements.
D. The Unit participates in MFCU-related training, including training offered by OIG and other MFCUs, as such training is available and as funding permits.
E. The Unit participates in cross-training with the fraud detection staff of the State Medicaid agency. As part of such training, Unit staff provide training on the elements of successful fraud referrals and receive training on the role and responsibilities of the State Medicaid agency.

APPENDIX B

Unit Referrals by Referral Source for FYs 2013 Through 2015

Referral Source	FY 2013		FY 2014		FY 2015		Total
	Fraud	Abuse & Neglect ¹	Fraud	Abuse & Neglect	Fraud	Abuse & Neglect	
State Medicaid agency – Program Integrity Unit	98	1	31	4	50	4	188
State Medicaid agency - other	2	0	0	0	6	0	8
Managed care organizations	34	0	108	0	13	0	155
State survey and certification agency	34	5	21	18	14	6	98
Other State agencies	0	0	1	1	21	8	31
Licensing board	1	0	0	0	0	0	1
Law enforcement	18	7	16	2	7	0	50
Office of Inspector General	4	4	3	4	1	2	18
Prosecutors	0	0	0	0	0	0	0
Providers	0	0	0	0	0	2	2
Provider associations	0	0	0	0	0	0	0
Private health insurer	0	0	0	0	0	0	0
Ombudsman	0	0	0	0	0	0	0
Adult protective services	0	0	0	0	0	0	0
Private citizens	120	2	137	12	137	14	422
MFCU hotline ²	21	0	17	0	N/A	N/A	38
Anonymous ³	N/A	N/A	N/A	N/A	0	0	0
Other	5	1	26	3	21	0	56
Total	337	20	360	44	270	36	1,067
Annual Total	357		404		306		

Source: OIG analysis of Unit Quarterly and Annual Statistical Reports, FYs 2013–2015, 2016.

¹ The category of abuse & neglect referrals includes patient funds referrals.

² The referral source “MFCU hotline” was not a category reported on the FY 2015 Annual Statistical Report.

³ The referral source “Anonymous” was not a category reported on the FY 2013 and FY 2014 Quarterly Statistical Reports.

APPENDIX C

Detailed Methodology

We used data collected from the seven sources below to describe the caseload and assess the performance of the North Carolina Unit.

Data Collection

Review of Unit Documentation. Prior to the onsite visit, we analyzed information from several sources regarding the Unit's investigation of Medicaid cases, including information about the number of referrals the Unit received, the number of investigations the Unit opened and closed, the outcomes of those investigations, and the Unit's case mix. We also collected and analyzed information about the number of cases that the Unit referred for prosecution and the outcomes of those prosecutions.

We gathered this information from several sources, including the Unit's annual and quarterly status reports; annual reports; recertification questionnaire; policy and procedures manuals; and MOU with the State Medicaid agency. We requested any additional data or clarification from the Unit as necessary.

Review of Unit Financial Documentation. We reviewed the Unit's control over its fiscal resources to identify any internal control issues or other issues involving use of resources. Prior to the onsite review, we reviewed the Unit's financial policies and procedures; its response to an internal control questionnaire; and documents (such as financial status reports) related to MFCU grants.

We reviewed three purposive samples to assess the Unit's internal control of fiscal resources. We limited the samples to the FYs 2013 through 2015 review period. The composition of the three samples and purpose of the reviews was as follows:

1. To assess the Unit's expenditures, we selected a purposive sample of 24 items from the Unit's 1,953 expenditure transactions. We selected routine and nonroutine transactions representing a variety of budget categories and payment amounts.
2. To assess the Unit's travel expenditures, we selected a purposive sample of 24 items from the Unit's 1,061 travel transactions. We selected eight travel related transactions for each FY. We selected a variety of travel expenditure categories such as hotel stays, airfare, conference expenses, rental cars, and meals.
3. To assess employees' time and effort, we selected a sample of three pay periods, one from each FY. We then requested and

reviewed documentation (e.g., time card records) to support the time and effort of Unit staff during the selected pay periods.

We also reviewed a purposive sample of the Unit's supply inventory, including vehicles. Specifically, we selected and verified a purposive sample of 25 items from the current inventory list of 125 items located in the Raleigh MFCU Office. To ensure variety in our inventory sample, we included larger items, such as computers and vehicles, as well as a mix of other items, such as printers and monitors.

Interviews with Key Stakeholders. In February 2016, we interviewed key stakeholders, including officials in the U.S. Attorney's Office (Criminal and Civil Divisions), Federal Bureau of Investigation, Internal Revenue Service, the State Attorney General's Office, a District Attorney's Office and State agencies that interacted with the Unit (i.e., Division of Adult Services, Division of Health Service Regulation, Division of Medical Assistance, Long-Term Care Ombudsman, and State Bureau of Investigation). Additionally, we interviewed officials at two managed care health plans that interact with the Unit. We also interviewed a supervisor from OIG's Region IV Office of Investigations who works regularly with the Unit. We focused these interviews on the Unit's relationship and interaction with OIG and other Federal and State authorities, as well as opportunities for improvement. We used the information collected from these interviews to develop subsequent interview questions for Unit management.

Survey of Unit Staff. In January 2016, we conducted an online survey of Unit staff.²⁷ We requested responses from 45 staff members and received 43 completed surveys, or 96 percent. The survey focused on operations of the Unit, opportunities for improvement, and practices that contributed to the effectiveness and efficiency of Unit operations and/or performance. The survey also sought information about the Unit's compliance with applicable laws and regulations.

Structured Interviews with Unit Management. We conducted structured interviews with the Unit's director, deputy director, three attorney supervisors, and the special agent in charge. We also conducted a group interview of the Unit's three financial investigations supervisors. We asked these individuals to provide information related to (1) the Unit's operations, (2) Unit practices that contributed to the effectiveness and efficiency of Unit operations and/or performance, (3) opportunities for the Unit to improve its operations and/or performance, and (4) clarification regarding information obtained from other data sources.

²⁷ We did not survey the MFCU director, deputy director, or other supervisors whom we interviewed remotely or onsite.

Onsite Review of Case Files and Other Documentation. We requested that the Unit provide us with a list of cases that were open at any point during FYs 2013 through 2015. This list of 793 cases included, but was not limited to, the current status of the case; whether the case was criminal, civil, or global; and the date on which the case was opened. Because global cases are civil false claims actions that typically involve multiple agencies, such as the U.S. Department of Justice and a group of State MFCUs, we exclude those cases from our review of a Unit’s case files. From the list of 793 cases, we excluded 397 cases that were categorized as global.

We then selected a simple random sample of 106 cases from the remaining 396 cases. From the initial sample of 106 case files, we selected a further simple random sample of 53 files for an OIG investigator to conduct an indepth review of selected issues, such as the timeliness of investigations and case development.

One sampled case was not reviewed. The Unit labeled this case as a civil fraud case; however, it was a global case. After excluding the ineligible case, we reviewed 105 total case files, of which 100 were open long enough to require supervisory review, and 73 were for closed cases.

Because we found one ineligible case in the 106 sampled cases, there could be other ineligible cases in the population of 396 cases. Therefore, we estimated: (1) the population of eligible case files, (2) the subpopulation of eligible case files open long enough to require supervisory review, and (3) the subpopulation of eligible closed case files, as shown in the table below.

Estimates of the Population of Eligible Case Files and Selected Subpopulations

Estimate Description	Sampled Case Files	Population of Eligible Case Files	95-percent Confidence Interval
Total eligible case files	105	392	377–395
Eligible case files open long enough to require supervisory review*	100	373	353–385
Eligible closed case files	73	273	239–302

*Eligible case files open long enough to require supervisory review are criminal cases open at least 90 days and civil cases open at least 6 months.
Source: OIG analysis of North Carolina MFCU case files, 2016.

Using the results of our review of the sampled case files, we reported three estimates for the subpopulation of eligible case files open long enough to require supervisory review, one estimate for all eligible case files, and one estimate for the subpopulation of eligible closed case files. These five

point estimates and their 95-percent confidence intervals are in Appendix D.

Onsite Review of Unit Operations. During our March 2016 site visit, we observed the Unit's offices and meeting spaces; the security of data and case files; location of select equipment; and the general functioning of the Unit. We also determined whether the Unit referred sentenced individuals to OIG for program exclusion and whether the Unit reported adverse actions to the NPDB.

Data Analysis

We analyzed data to identify any opportunities for improvement and any instances in which the Unit did not fully meet the performance standards or was not operating in accordance with laws, regulations, or policy transmittals.²⁸

²⁸ All relevant regulations, statutes, and policy transmittals are available online at <http://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu>.

APPENDIX D

Point Estimates and 95-Percent Confidence Intervals Based on Reviews of Case Files

Estimate Characteristic	Sample Size	Point Estimate	95-Percent Confidence Interval for Percentages	
			Lower Limit	Upper Limit
Case files that did not contain documentation of any periodic supervisory reviews	100	8.0%	4.0%	14.2%
Case files that either did not contain all periodic supervisory reviews required for the duration of the case, or contained documentation that a review took place but did not indicate that a supervisor was present at the review	100	68.0%	59.2%	75.9%
Case files that did not contain documentation of all periodic supervisory reviews	100	76.0%	67.6%	83.1%
Case files that contained documentation of supervisory approval for opening	105	99.0%	95.2%	99.7%
Case files that contained documentation of supervisory approval for closing	73	100.0%	95.6%	100.0%

Source: OIG analysis of North Carolina MFCU case files, 2016.

APPENDIX E

Unit Comments



State of North Carolina
Department of Justice

ROY COOPER
ATTORNEY GENERAL

Reply To:
Charles Hobgood
Medicaid Investigations Division
5505 Creedmoor Rd., Suite 300
Raleigh, N.C. 27612
Telephone: (919) 881-2320
Fax: (919) 571-4837
chobgood@ncdoj.gov

September 7, 2016

Suzanne Murrin
Deputy Inspector General for Evaluation and Inspection
Department of Health and Human Services
Office of Inspector General
Room 5660, Cohen Building
330 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Ms. Murrin:

On behalf of the North Carolina Attorney General, we appreciate the opportunity to review and comment on the 2016 Onsite Review as well as the exceptional professionalism exhibited by your review staff. We are pleased the review found that the Unit is generally in compliance with applicable laws, regulations, and policy transmittals. We welcome the review's constructive guidance and three recommendations that we will use to continue to be a leader in Medicaid fraud and abuse investigations. In accordance with your request for our comments to the recommendations in your draft report, we offer the following:

Recommendation #1: Conduct and document supervisory reviews of Unit case files according to the Unit's policies and procedures.

Comment:

We concur with the recommendation. The Unit has taken or will take the following actions to ensure that supervisory reviews are documented in accordance with our policies and procedures:

1. Supervisory reviews were conducted through team meetings and also through meetings in which the investigator, supervisor, and assigned attorney were present. In 2014 we revised our supervisory review form to document the presence of the supervisor. We are in the process of adding the supervisor's signature to the form as additional documentation that the supervisor was present which will be completed this quarter.
2. The majority of the cases without supervisory review documentation were civil cases for which our policy did not require a documented periodic review during the period covered by

the audit. In October 2015 the Unit changed its policy and implemented a new 180 day case review for civil cases to more clearly meet the performance standard. We believe this action will substantially ensure the documentation of supervisory reviews in all cases.

3. The cases without supervisory reviews included cases worked jointly with other agencies or parties, cases that were being monitored while we were waiting for action by another agency or party, cases opened for approximately a year or less, and cases where a decision to close without action had been made but the closing has not been completed before the next periodic supervisory review was due. We met with supervisors in 2015 to clarify and emphasize that supervisory reviews need to be documented for all cases including in the above types of cases. In 2015 we implemented a monitoring procedure of sampling and reviewing supervisory reviews to ensure that reviews are conducted and documented in accordance with Unit policies. In this quarter we will contact OIG and request guidance on OIG's recommendations for best practices in providing reviews in monitored cases.
4. The updates to our case management system described below will assist the Unit in more easily tracking our supervisory reviews and ensuring that the reviews are documented.

Recommendation #2: Implement processes to ensure it reports convictions and adverse actions to Federal partners within required timeframes.

Comment:

We concur with the recommendation. The Unit reported all convictions and adverse actions to Federal partners but did not always report within 30 days of sentencing. By the beginning of 2016 we had taken the following actions to ensure the Unit reports convictions and adverse actions timely:

1. Clearly communicated to staff in meetings and direct conversations the need to meet the 30 day deadline.
2. Implemented an electronic tickler system using an Outlook calendar to remind staff of due dates.
3. Added a 30 day reporting field to its new case tracking system.
4. Reconfigured our case referral database to have a pop-up reminder showing a countdown to remind users of reporting deadlines.

Also, some courts do not make sentencing documentation available until some period of time after the sentence is verbally announced in open court. Therefore, when conviction documentation is not readily available, starting immediately, the Unit will report the conviction to Federal partners within 30 days of sentencing and later supplement the report with the conviction documentation when it becomes available from the court.

We further note that OIG has found that nearly every MFCU that has been audited did not always report within 30 days of sentencing. This indicates that the reporting may not be as much an indicator of an individual Unit's performance as an indicator of the way some federal courts operate. Therefore, we would respectfully suggest that for reporting purposes, OIG adopt a definition of "sentencing" more consistent with the way the court system operates and set a standard of reporting within 30 days of the date the Clerk enters the judgment. This definition is

supported by Rule 32 of the Federal Rules of Criminal Procedure which states, "The judge must sign the judgment, and the clerk must enter it."

In addition, the updates to our case management system described in recommendation #3 below will also help the Unit more easily track convictions and adverse actions and ensure that the 30 day reporting standard is met.

Recommendation #3: Replace the Unit's case management system.

Comment:

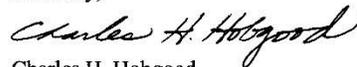
We concur with the recommendation. The NC MFCU is dedicated to finding a long term solution that addresses our case management needs and will allow us to perform our investigative and analytical duties more efficiently and effectively. A recent internal assessment performed by our IT Division revealed that we can make significant improvements in many areas by modernizing our entire portfolio of applications. During the remainder of 2016 and through early 2017, DOJ will actively pursue budget and funding support for upgrading our entire portfolio including a new case management system. Once funding is approved by appropriate state and federal officials, the new system should be completed within 18 to 24 months.

We have also made and are continuing to make short term improvements to our current system to establish a stable and scalable infrastructure to support the work of the Unit and case tracking pending a long term solution, including:

1. Development and installation of a new Access based case tracking system to supplement our case management system in April 2016. The case tracking system has enhanced the Unit's ability to quickly query and retrieve case information and make it more readily accessible to Unit staff.
2. Developed new document profiles in May 2015 to limit the differences in the way users organize and title documents, making it easier to search and retrieve documents at a later date.

In conclusion, we wanted to thank the review team for recognizing the North Carolina Medicaid Fraud Control Unit's accomplishments and best practices and for specifically highlighting our robust and creative training program that partnered with another state agency to create a Financial Investigator Academy.

Sincerely,



Charles H. Hobgood
Special Deputy Attorney General
Director, Medicaid Investigations Division

cc: Attorney General Roy Cooper
Chief of Staff Kristi Jones

ACKNOWLEDGEMENTS

This report was prepared under the direction of Brian T. Whitley, Regional Inspector General for Evaluation and Inspections in the Kansas City regional office, and Jennifer King, Deputy Regional Inspector General; and in consultation with Richard Stern, Director of the Medicaid Fraud Policy and Oversight Division.

Tricia Fields, of the Kansas City regional office, served as the project leader for this study. Other Office of Evaluation and Inspections staff who conducted the study include Cody Johnson and Dana Squires. Other Medicaid Fraud Policy and Oversight Division staff who participated in the review include Jordan Clementi. Office of Investigations staff also participated in the review. Central office staff who contributed include Kevin Farber, Lonie Kim, and Joanne Legomsky.

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