COOPERATION AGREEMENT BETWEEN INDIANA FAMILY & SOCIAL SERVICES ADMINISTRATION, OFFICE OF MEDICAID POLICY & PLANNING AND THE OFFICE OF THE ATTORNEY GENERAL

THIS AGREEMENT is entered into between the Office of the Indiana Family and Social Services Administration, Medicaid Policy and Planning, hereinafter referred to as the "Office", and the Office of the Attorney General, State of Indiana, hereinafter referred to as "OAG".

THIS AGREEMENT in no way is intended to inhibit or relieve the Office from its management responsibilities of prevention, detection, and elimination of abusive and improper or fraudulent practices in the Medicaid program.

WHEREAS, Public Law 95-142,91 Stat.1175, was enacted by the U.S. Congress on October 25, 1977, to strengthen the capability of the government to detect, prosecute, and punish fraudulent activities under the Medicare and Medicaid programs; and

WHEREAS, Section 17 of P.L. 95-142 authorized the Secretary of the U.S. Department of Health and Human Services to certify a state Medicaid Fraud Control Unit for which the federal government will fund a percentage of the costs for establishment and operation thereof up to a maximum specified in the law; and

WHEREAS, P.L. 95-142 requires that a state Medicaid Fraud Control Unit be an entity separate and distinct from the single state agency that administers or supervises the administration of the state Medicaid program; and

WHEREAS, pursuant to the requirements of P.L. 95-142, the Secretary of the U.S. Department of Health and Human Services has promulgated regulations (42 CFR 1007.9) pertaining to the establishment of state Medicaid Fraud Control Units which require that an entity applying for certification as a Medicaid Fraud Control Unit have an agreement with the single state agency administering the Medicaid program whereby the Medicaid agency agrees to comply with the conditions established in 42 CFR 455.21(a)(2).

AGREEMENT:

IT IS AGREED between the Office and the OAG that each shall comply fully with the following provisions in order for the State of Indiana to receive federal funding for the establishment and operation of a Medicaid Fraud Control Unit within the OAG as defined and authorized by Public Law 95-142;

THE OFFICE AGREES TO:

(1) Promptly refer to the Indiana Medicaid Fraud Control Unit, hereinafter referred to as "IMFCU", of the OAG:

a) all cases of suspected fraud in the administration of the Medicaid program. For the purposes of this agreement, "fraud" has the definition used in 42 CFR 455.2: "an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to

himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law";

b) all cases of suspected abuse in the administration of the Medicaid program. For the purposes of this agreement, "abuse" has the definition used in 42 CFR 455.2: "provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care";

c) all cases of suspected fraud and abuse by providers of service under the Indiana Medicaid program;

d) all cases of suspected misappropriation of patients' private funds in facilities receiving payments under the Indiana Medicaid program;

e) all cases of suspected patient abuse in facilities receiving payments under the Indiana Medicaid program.

(2) Inform the IMFCU, through routine case coordination, of proposed actions by the Office. If the Office does not receive a response from the IMFCU within ten business days, the Office may proceed with the proposed action;

(3) Make contact with providers of service under the Indiana Medicaid Program through routine SUR activity unless the IMFCU has placed the provider on hold and notified the Office to suspend routine SUR activity for the provider;

(4) Include in each case referral to the IMFCU all relevant documentation, including a complaint referral report which summarizes the facts, and copies of applicable state and/or federal regulations, procedures, policy statements, and directives. The Office will provide information on all contact between the suspected wrongdoer and Office staff and/or contractors;

(5) Comply promptly with a written request from the IMFCU for access to, and a free copy of, any records or information in the possession of the Office or its contractors, if the IMFCU determines that it may be useful in carrying out its responsibilities;

(6) Comply promptly, and without charge, with written requests from the IMFCU for computerized data stored by the Office or its contractors in such form as the IMFCU may request, limited to the capabilities of IndianaAIM, if the IMFCU determines that these data may be useful in carrying out its responsibilities;

(7) Arrange for the IMFCU to have access to any records of information kept by the providers of services under the state Medicaid program to which the Office is authorized access by section 1396a(a)(27) of the Social Security Act and 42 CFR 431.107 if the IMFCU determines that this access may be necessary in carrying out its responsibilities;

(8) Promptly forward to the IMFCU copies of all audit reports which indicate suspected Medicaid provider fraud and abuse and, upon written request, one copy of work papers relative to such audits. This includes audits performed by the Office or its contractors;

(9) Provide for the needs of the IMFCU of copies of claims, other documents, equipment, etc when negotiating with the Office's fiscal contractors, computer systems contractors, and audit contractors;

(10) Allow coordination of operations between the Office and the IMFCU when conducting on-site audits or other SUR related activities;

(11) Make available to the IMFCU details of any plans to undertake decertification against a Medicaid program provider, and;

(12) Meet with the IMFCU on a scheduled basis to discuss cases or other matters concerning fraud or abuse of the Medicaid program.

<u>OAG AGREES THAT THE INDIANA MEDICAID FRAUD CONTROL UNIT (IMFCU) WILL:</u>

(1) Perform the duties and responsibilities as required of a Medicaid Fraud Control Unit under Federal regulations 42 CFR 1007.11, as authorized by Indiana law;

(2) Protect the privacy rights of individual recipients in its collection and use of any such records and information received from the Office;

(3) Submit all requests for computerized data stored by the Office or its contractors directly to the Office for prioritization;

(4) Advise the Office within ten business days of the necessity to place any proposed actions received through routine case coordination on hold. An IMFCU hold is defined as the request that no Office staff initiate audit related contacts with the identified provider without receiving prior approval from the IMFCU;

(5) Review all referrals of Medicaid fraud or abuse received from the Office, as well as from other sources pursuant to federal regulations. IMFCU will determine whether the matter requires further investigation for potential criminal or civil prosecution, and shall take such action as deemed warranted in its discretion;

(6) Make reasonable efforts to inform, in writing within thirty (30) days of receipt, if the IMFCU accepts or rejects a referral from the Office for investigation;

(7) Provide the Office with reports that summarize the investigative findings, including data collected during investigations relative to provider eligibility, fraud, abuse, or other inappropriate practices, regardless of whether the case is referred for prosecution;

(8) Allow the Office to review the case files of those cases IMFCU might close without taking any adverse action against a provider in order that the Office might

be more fully informed in determining what administrative actions, if any, are appropriate;

(9) Provide the Office, when appropriate, with data collected during investigations that may have a bearing on recipient eligibility, abuse or services or other aberrant practices;

(10) Inform the Office of released cases, which were previously placed on IMFCU hold or accepted, in a timely manner so the Office may coordinate referrals to other appropriate agencies;

(11) Make IMFCU personnel available for testimonial purposes in administrative hearings brought by the Office, if necessary, and;

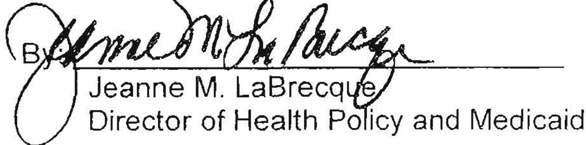
(12) Develop and implement training programs in conjunction with the Office for each other as necessary to assist in their mutually cooperative efforts.

EFFECTIVE DATE:

THIS AGREEMENT shall become effective and binding when signed and shall continue in force as long as the Indiana Medicaid Fraud Control Unit remains certified by the U.S. Department of Health and Human Services, or until it is replaced by a subsequent agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officials hereunto duly authorized.

OFFICE OF MEDICAID POLICY & PLANNING



By: ______________________ Date: 7/29/2005
Jeanne M. LaBrecque
Director of Health Policy and Medicaid

OFFICE OF THE ATTORNEY GENERAL

By: ______________________ Date: 8/13/05
Allen K. Pope, Director
Indiana Medicaid Fraud Control Unit