

MEDICAID PROGRAM INTEGRITY MANUAL

CHAPTER 2 – Collaboration with States

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2.0 - State Collaboration Purpose

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

The purpose of collaboration between the state Medicaid agency (SMA) and the UPIC is to identify state priorities, specialty areas of analytical and investigative interest, clarification of state policy, and to ensure there is no duplication of efforts.

All leads and any new providers that the UPIC determines warrant further investigation shall be vetted concurrently through the SMA and CMS for approval before transitioning to an investigation. The UPIC shall provide the state a list of potential investigations generated by the data analysis, complaints, referrals, etc. If the state is conducting an audit or investigation of the same provider for similar Medicaid issues, CMS may cancel or postpone the UPIC investigation of the provider. Through this information exchange, CMS avoids duplicating the efforts of other Medicaid audits and investigations.

Collaboration between the SMA and the UPIC may differ from state to state. While some states may prefer the term “investigation,” other states may prefer the term “audit” or “review.” State preference in regards to the review of Medicaid claims shall be discussed at the onset of the collaboration, and continue throughout the investigative and/or audit process.

The scope and execution of program integrity activities varies by state. CMS recognizes that states have different structures and that the program lead from each state may be located in different areas of the state organizational structure. If the program integrity function exists outside of a single state agency, CMS will encourage both the single state agency and the program integrity staff to collaborate on program activities. State entities that may be involved in the program integrity oversight includes the SMAs, Medicaid fiscal agents, Medicaid Fraud Control Units (MFCUs), State Attorneys General offices, and other agencies with program integrity missions, such as Medicaid Inspector General and State Comptroller offices.

States are critical partners in stewardship of the public trust and are strongly committed to ensuring the accuracy of Medicaid payments and detection/prevention of fraud, waste, and abuse. States are required to establish and maintain program integrity activities, which meet federal requirements, and which coordinate with federal program integrity efforts.

2.1 - Implementing Collaboration with States

(Rev. 11948; Issued:04-13-23, Effective: 05-15-23; Implementation: 05-15-23)

The success of the UPICs is dependent on the collaboration of all parties involved, i.e. CMS, SMA, and the UPIC. This section will outline some of the steps necessary for implementing collaboration with the states in order for the UPIC to begin program integrity activities in their jurisdiction.

2.1.1 - Implementation Process and Timeline

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

The first step in establishing an effective program is developing a partnership between CMS, the UPIC, and the relevant SMA. Step 2 is to document the state preferred, and CMS agreed upon, process for conducting investigations in that state via a Joint Operating Agreement (JOA). JOAs will be initiated between each state partner and shall only be viable for the state as set forth in the JOA. However, with the consensus of all participating states, the UPIC may initiate jurisdictional program integrity projects to detect fraud schemes across at least two neighboring SMAs.

Several activities must occur during implementation. Some activities may occur simultaneously, while other activities must occur consecutively. The list below summarizes the steps the UPIC will take when initiating collaboration with a state.

- a) Convene the Initial State Collaboration Meeting
- b) Maintain Information Exchange Agreement, if required
- c) Develop the Joint Operating Agreement
- d) Provide initial cross-training
- e) Begin document sharing
- f) Establish exchange of other sources of Medicaid data, as needed

2.1.2 - Initial State Collaboration Meeting

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

The UPIC shall convene separate Initial State Collaboration Meetings for each state program and, as applicable, jurisdictional programs. These initial meetings differ from kickoff meetings, as kickoff meetings are between CMS and the UPIC for the purposes of discussing the new contract. The Initial State Collaboration meetings include SMAs.

a. Timing

The Initial State Collaboration Meeting shall be held no later than 30 calendar days after the beginning of the implementation phase of the contract or after the SMA agrees to collaboration.

b. Meeting Location

The Initial State Collaboration Meeting shall be held in-person at the SMA, if possible. If space is not available at the state agency, the meeting shall be held at a location agreed upon between the UPIC and the SMA

program lead. In addition, if face-to-face contact is prohibited for public health reasons, other telephonic communication, such as Zoom, may be utilized.

c. Attendees

The UPIC Program Director, or designee, shall invite appropriate individuals to attend the Initial State Collaboration Meeting. At a minimum, the attendees of the initial meeting will include the following:

- State Medicaid program integrity unit lead(s),
- UPIC Medicaid Operations Lead,
- CMS CORs and BFLs, and
- CMS One PI, CPI/DASG and Office of Technical Solutions representatives. (It is expected that the discussion at the initial meeting will include technical issues such as connectivity; therefore, individuals with the appropriate technical knowledge should be included in the meeting.)

d. Meeting Agenda and Other Materials

The UPIC shall prepare all materials for the Initial State Collaboration Meeting and provide copies to all attendees, including the JOA.

Prior to the meeting, the UPIC should prepare and distribute a meeting agenda to all participants. The meeting agenda should, at a minimum, include the items identified in Table 2.A. for discussion. At the conclusion of the meeting, specific decisions regarding implementation and operation of the program should be made.

Table 2.A: Decision/Discussion Points for the Initial State Collaboration Meeting

Agenda Item	Decisions/Discussion Points
Joint Operating Agreement	<ul style="list-style-type: none"> • Discuss the purpose of the JOA. • Discuss procedure for state-level review of the JOA. • Plan a separate meeting, via conference call or in person, between the SMA, and the UPIC to discuss each section of the JOA that is not addressed in the Initial State Collaboration Meeting.

Agenda Item	Decisions/Discussion Points
Data sources	<ul style="list-style-type: none"> • Provide an overview of the sources of Medicare and Medicaid data. • Clarify the state-level of access to matched data that is allowed. • Discuss the source and structure of Medicaid data. • Discuss documentation sharing related to data sources.
Data connectivity and transmission	<ul style="list-style-type: none"> • Provide the options for the state to provide Medicaid data to CMS via the UPIC. • Make a preliminary decision on the best method for providing Medicaid data. • Notify the SMA on how it will request and access matched data. The states are prohibited from provider data for Medicare only providers.
Training and information sharing	<ul style="list-style-type: none"> • Discuss the importance of training early in the program and provide options for initial, formal cross-training. • Make a preliminary decision regarding the format and timing of the cross-training.

e. Meeting Minutes

The UPIC shall submit a draft of the meeting minutes to the CMS COR, BFL, and the SMA program lead for review and approval. The UPIC shall submit the final meeting minutes to CMS after incorporating comments from meeting participants. Meeting minutes should conclude “action items” to identify deliverables that were agreed upon for the next meeting. Upon CMS approval, the UPIC shall distribute final meeting minutes to all meeting participants.

2.1.3 - Information Exchange Agreement (IEA)

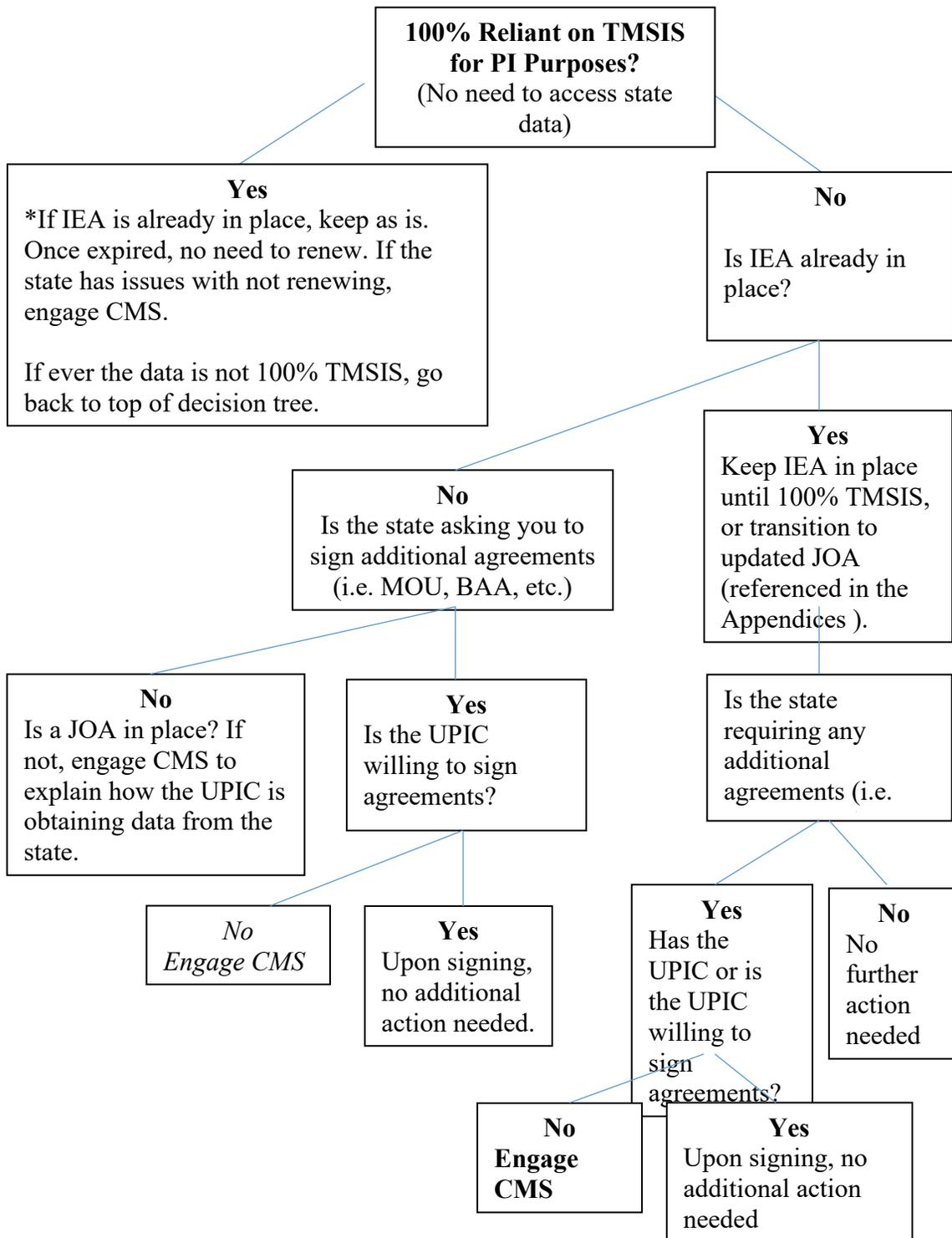
(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

When a state chooses to partner with the UPIC, a JOA between the state and UPIC is required. However, in various states (as referenced in the decision tree below), an Information Exchange Agreement may remain in place until expiration or renewal as needed. If the SMA request that the IEA be renewed, the current version of the IEA can be found in the Appendices.

A. IEA Decision Tree

The UPICs shall coordinate data exchanges with their states according to the *decision tree* below.

If you are working with the state, use this decision tree. If not, use the *decision tree* if/when you begin working with the state.



2.1.4 - Joint Operating Agreement (JOA)

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

a. Purpose of the JOA

In general, much of the UPICs' activities are governed by CMS' Task Order Statement of Work (TO SOW), the Medicaid PIM, and the Medicare PIM. However, the SMA is not governed by the PIM. The JOA is an agreement between the SMA and the UPIC that establishes guidelines, duties, and shared expectations of how each will conduct business with the other. The JOA will include any agreement between the SMA and the UPIC on program implementation and operation that is not specified in this manual or the TO SOW. CMS also has a role in mediating any disputes that may arise between the SMA and the UPIC during the creation of the JOA, and it will provide technical guidance regarding the JOA.

The template for the JOA can be found at Appendix J..

b. JOA Template and Instructions for Customizing the JOA

The UPIC shall customize the JOA template with input from the SMA. The template is a guide and includes suggested language, which may be changed pending the agreement of the UPIC and the SMA. SMAs are encouraged to participate in other implementation activities while awaiting the review and execution of the JOA. However, it is at the discretion of the SMA whether to participate in other implementation activities while awaiting the JOA. It is a best practice for the SMA to sign the JOA as soon as possible as the JOA clarifies the working relationship between the SMA and the UPIC.

The following provides a summary for each section of the JOA:

Section 1. Introduction

This section describes the purpose of the coordination and the JOA. It also describes how the JOA should be maintained and updated.

Section 2. Implementation

This section describes the overall implementation process and each party's responsibilities.

Section 3. Dispute Resolution

This section describes how disagreements between the UPIC and the SMA

will be resolved. It is recommended that disagreements be brought to the attention of the COR/BFL team for assistance.

Section 4. Communications Plan

This section outlines the requirements for establishing points of contact at the UPIC and SMA, regular meetings, and work groups. The UPIC and the SMA should establish points of contact to clarify communications between organizations. The JOA template suggests the creation of “leads” in the areas of the overall project, IT, data analysis, and investigations. The UPIC and SMA, as applicable, should revise and add to these roles as appropriate.

Section 5. Training and Information Sharing

In this section, the UPIC and the SMA acknowledge that each party will provide training to the other party and share information with each other as needed. The way in which training shall be provided should also be described in this section.

Section 6. Connectivity and Data Sharing, if applicable

This section outlines how the UPIC and the SMA will work together to share the necessary data. Due to the nature of this content, section 6.5 Security shall not be edited and/or revised by either the SMA or the UPIC.

Section 7. Data Analysis

This section describes the development of a Data Analysis Project Management Strategy and the process for prioritizing projects and sharing results.

Section 8. Investigations and Referrals

This section describes the investigation and referral processes for joint investigations. The JOA clarifies the rules outside of the PIM to which the UPIC and the SMA must adhere. It provides a forum through which the partners can agree on how to work together on joint investigations.

c. Process for Executing the Initial JOA

The UPIC and the SMA shall discuss the timeline and contents of the JOA during the Initial State Collaboration Meeting. Based on the results of this meeting, the UPIC shall customize the JOA template (Appendix J) collaboratively with the SMA and submit to CMS for approval. CMS will provide technical assistance on the customization as needed. If, after

reasonable efforts by the UPIC, there are issues that the SMA and the UPIC cannot agree upon, either of the parties may notify CMS. CMS will coordinate resolutions of the disputes so that the implementation process is not delayed.

The UPIC and the SMA should agree to the content of the JOA, as it details how the partners will work together. The JOA is not a contract. Therefore, the SMA is not required to provide signatures for the JOA. In place of signing the JOA, the SMA can inform the UPIC through an e-mail or formal letter that the JOA accurately reflects how the parties will work together to implement and operate the coordinated efforts.

The UPIC shall distribute a copy of the final JOA to the SMA. The SMA lead should disseminate the final JOA within the agency.

d. Annual Review of the JOA

The UPIC and the SMA should review and revise the JOA at least annually. The revised JOA should be approved by the UPIC and the SMA and be submitted to CMS by the UPIC.

e. Other Revisions to the JOA

The UPIC and the SMA may revise the JOA on an as-needed basis, as long as the changes are agreed upon by both parties in accordance with a process that both parties establish during implementation.

2.1.5 - Program-Level Training and Information Sharing

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

The success of the collaborative efforts in Medicaid program integrity depends on effective communication, information sharing, and training among partners. This section focuses on the training and information sharing opportunities and requirements within state and regional program integrity efforts.

Below are the responsibilities of the UPIC in regards to training and information sharing:

- Provide data and policy background information about Medicare to the SMA.
- Provide project-specific information about Medicare data and policies to the SMA.
- Provide subject-matter experts to the SMA as needed.
- Share customized documents that guide the implementation and operation of each state's program.

- Share educational materials and maintain key documents that explain the agency's program and operational environment.

2.1.6 - Initial Formal Cross-Training

(Rev. 11948; Issued:04-13-23, Effective: 05-15-23; Implementation: 05-15-23)

During the implementation of a new state or regional program, partners are encouraged to participate in an initial, broad-level training session that outlines the major data elements and the policies and procedures of both Medicare and Medicaid. This event will serve to build a foundation of understanding between partners providing a general idea of how each program works.

The UPIC shall provide Medicare training to the SMA staff, if requested, and the SMA is encouraged to provide reciprocal training on Medicaid. This initial training will be discussed at the Initial State Collaboration Meeting and will be coordinated between the UPIC Manager and the SMA program leads. Together, the UPIC Manager and the SMA program lead will decide on the appropriate location, format, and dates for training.

Should the SMA decline to participate in or provide cross-training, the UPIC Manager shall inform the CMS COR/BFL. The UPIC shall organize all formal training events upon the request of the SMA program lead.

a. Attendees

The SMA, the UPIC and One PI representatives (for discussions on data, connectivity and access) shall attend the initial training session.

b. Format

Outside of a Public Health Emergency (PHE), it is recommended that the initial training session occur in person. Virtual training may be used in lieu of in-person training for the convenience of all parties. Options for the format include multiple sessions of training spread out over a period of time or a multi-day retreat. For follow-up sessions, virtual training is recommended. The UPIC Manager and the SMA will determine which format is most appropriate.

c. Location and Logistics

For in-person training, the initial training should be held at the SMA if there is conference space available. If there is no conference space available, the UPIC shall arrange for a site that is acceptable to the SMA program lead.

d. Content

Training should be focused on two main components—policy and data. The SMA and the UPIC Medicaid Operations Lead shall work together to determine the agenda items for training.

The CMS COR/BFL will provide the UPIC with a presentation that gives an overview of national Medicare policy for use in the training session. However, the UPIC may produce a custom presentation tailored to the needs of the program, as appropriate. The UPIC will also encourage the SMA to provide materials for training which are customized or from existing training efforts.

The data portion of the training should include guidance on how the data systems are established and updated.

2.2 - Ongoing Collaboration with States

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

Once the UPIC has established a working relationship with the SMA, the UPIC will need to continue ongoing communication and collaboration. This ongoing collaboration will be conducted via the Program Management Meeting or Monthly Collaboration Meeting.

2.2.1 - Program Management Meetings or Monthly Collaboration Meetings

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

UPICs shall facilitate additional program management meetings with CMS and the SMAs. The purpose of these meetings is to discuss the program's progress, identify issues and resolutions, and discuss the planned activities for the following month.

In the implementation phase, these meetings have various names including case coordination meetings or executive meetings. During the Initial State Collaboration Meeting, the partners will discuss the timing and purpose of the project management meetings, which shall be facilitated by the UPIC.

a. Timing

The UPIC shall convene the project management meetings on an agreed upon recurring basis, based on the availability of the COR/BFL and SMA program lead. CMS recommends these meetings be held on a monthly basis.

The CMS, the UPIC, and the SMA must have regularly scheduled standing meetings to discuss ongoing issues and to make sure that all members of the team are fully informed on all issues.

b. Agenda

The UPIC shall provide a draft agenda to the attendees prior to each meeting. The agenda should contain, at a minimum, the following areas for discussion:

- Status of current workload,
- Development of new Proactive Data Projects,
- Data analytic findings,
- Administrative actions,
- State Issues/recommendations, and
- CPI Feedback/Input.

The CMS COR/BFL and the SMA program lead may provide comments on the agenda. The UPIC shall incorporate requested changes to the agenda and provide a final agenda prior to the meeting.

c. Meeting Location

The meetings will be held virtually via conference call or video conference. The UPIC is encouraged to use web-based technology that allows participants to share and view common applications, such as PowerPoint, live during the meeting.

d. Attendees

The UPIC shall invite the following individuals to the project management meetings or monthly collaboration meetings:

- SMA Program Integrity Director or Inspector General, or designee
- UPIC Medicaid Operations Lead or designee
- UPIC Data Analyst or Manager
- CMS COR/BFL.

The attendees may bring additional individuals to the meeting. The attendees should inform the UPIC in advance who will be joining the meeting.

e. Meeting Minutes

The UPIC shall be responsible for drafting the meeting minutes and be willing to make appropriate changes as requested by either CMS or the SMA.

2.3 – Support to States on Appeals

(Rev. 12871; Issued: 10-11-24; Effective: 11-14-24; Implementation: 11-14-24)

As part of the collaboration with SMAs, the UPICs will support the states on appeals related to the UPIC's investigations/audits as outlined in the TO SOW and with this manual at 4.4 – State Appeal Process.

Transmittals Issued for this Chapter

Rev #	Issue Date	Subject	Impl Date	CR#
<u>R12871MPI</u>	10/11/2024	Updates of Chapter 1, Chapter 2, Chapter 3, Chapter 4, and Appendices in Publication (Pub.) 100-15, Including Auditing of Program Integrity Activities in Managed Care Plans	11/14/2024	13720
<u>R11948MPI</u>	04/13/2023	Updates of Publication (Pub.) 100-15, Including Revisions to Chapters 1 and 2, and the Addition of Chapters 3, 4, 5, and Appendices	05/15/2023	13141
<u>R3MPI</u>	02/02/2018	Update to the Medicaid Program Integrity Manual (PIM)	04/03/2018	10340
<u>R1MPI</u>	09/23/2011	Initial Publication of Manual	09/23/2011	NA

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