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Highlights

FRAUD DETECTION SYSTEMS

Centers for Medicare and Medicaid Services Needs to Expand Efforts to Support Program Integrity Initiatives

Why GAO Did This Study

The Centers for Medicare and Medicaid Services (CMS) is responsible for administering and safeguarding its programs from loss of funds. As GAO reported in June 2011, CMS utilizes automated systems and tools to help improve the detection of improper payments for fraudulent, wasteful, and abusive claims. To integrate claims information and improve its ability to detect fraud, waste, and abuse in these programs, CMS initiated two information technology system programs: the Integrated Data Repository (IDR) and One Program Integrity (One PI).

GAO was asked to testify on its June 2011 report that examined CMS's efforts to protect the integrity of the Medicare and Medicaid programs through the use of information technology (GAO-11-475). In that prior study, GAO assessed the extent to which IDR and One PI have been developed and implemented, and CMS's progress toward achieving its goals and objectives for using these systems to detect fraud, waste, and abuse.

What GAO Recommends

GAO recommended in June 2011 that CMS take actions to finalize plans and schedules for achieving widespread use of IDR and One PI, and to define measurable benefits. CMS concurred with GAO's recommendations.

What GAO Found

GAO previously reported that CMS had developed and begun using both IDR and One PI, but had not incorporated into IDR all data as planned. IDR is intended to be the central repository of Medicare and Medicaid data needed to help CMS and states' program integrity staff and contractors prevent and detect improper payments. Program integrity analysts use these data to identify patterns of unusual activities or transactions that may indicate fraudulent charges or other types of improper payments. IDR has been operational and in use since September 2006 but did not include all the data that were planned to be incorporated by fiscal year 2010. For example, IDR included most types of Medicare claims data, but not the Medicaid data needed to help analysts detect improper payments of Medicaid claims. According to program officials, these data were not incorporated because of obstacles introduced by technical issues and delays in funding. Until the agency finalizes plans and develops reliable schedules for efforts to incorporate these data, CMS may face additional delays in making available all the data that are needed to support enhanced Medicare and Medicaid program integrity efforts.

Additionally, CMS had not taken steps to ensure widespread use of One PI to enhance efforts to detect fraud, waste, and abuse. One PI is a web-based portal that is to provide CMS staff and contractors, and Medicaid analysts with a single source of access to data contained in IDR, as well as tools for analyzing those data. While One PI had been developed and deployed to users, no Medicaid analysts and only a few Medicare program integrity analysts were trained and using the system. Specifically, One PI program officials planned for 639 program integrity analysts, including 130 Medicaid analysts, to be using the system by the end of fiscal year 2010; however, as of October 2010, only 41—less than 7 percent—were actively using the portal and tools. According to program officials, the agency's initial training plans were insufficient and, as a result, they were not able to train the intended community of users. Until program officials finalize plans and develop reliable schedules for training users and expanding the use of One PI, the agency may continue to experience delays in reaching widespread use of the system.

While CMS had made progress toward its goals to provide a single repository of data and enhanced analytical capabilities for program integrity efforts, the agency was not yet positioned to identify, measure, and track benefits realized from its efforts. As a result, it was unknown whether IDR and One PI as implemented had provided financial benefits. According to IDR officials, they did not measure benefits realized from increases in the detection rate for improper payments because they relied on business owners to do so; One PI officials stated that, because of the limited use of that system, there were not enough data to measure and gauge the program's success toward achieving the $21 billion in financial benefits that the agency projected.

United States Government Accountability Office