

Why GAO Did This Study

A crucial component of protecting the integrity of the Medicaid program is ensuring that only eligible providers participate in Medicaid. States' non-compliance with provider screening and enrollment requirements contributed to over a third of the \$36.3 billion estimated improper payments in Medicaid in 2018. To improve the integrity of the Medicaid program, PPACA and the 21st Century Cures Act established new requirements for screening and enrolling providers and expanded enrollment to include additional provider types.

In this report, GAO (1) describes challenges states faced implementing provider screening and enrollment requirements; and (2) examines CMS support for and oversight of states' implementation of these requirements. GAO reviewed federal laws and CMS guidance. GAO also reviewed CMS documents, including reports resulting from CMS oversight activities published from 2014 through 2018 for seven states. These states were selected based on their use of CMS's contractor site visits, among other things. GAO also interviewed officials from CMS and the seven selected states.

What GAO Recommends

GAO recommends that CMS (1) expand its review of states' implementation of provider screening and enrollment requirements to include states that have not participated in optional consultations; and (2) for states not fully compliant with the requirements, annually monitor the progress of those states' implementation. The Department of Health and Human Services, the department that houses CMS, concurred with both recommendations.

View [GAO-20-8](#). For more information, contact Carolyn L. Yocom at (202) 512-7114 or yocomc@gao.gov.

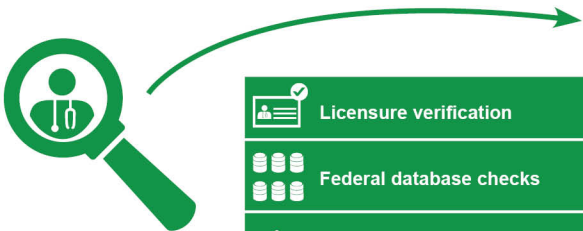
MEDICAID PROVIDERS





CMS Oversight Should Ensure State Implementation of Screening and Enrollment Requirements

What GAO Found

Officials from seven selected states that GAO interviewed described challenges they faced implementing new Medicaid provider screening and enrollment requirements, established by the Patient Protection and Affordable Care Act (PPACA) in 2010 and the 21st Century Cures Act in 2016. These challenges included establishing procedures for risk-based screenings, using federal databases and collecting required information, and screening an increased volume of providers. Due in part to these challenges, officials from five of the seven selected states told GAO they had not implemented certain requirements. For example, one state plans to launch its new information technology system, which automates screenings, before it will enroll providers under contract with managed care organizations, as required under these laws.

Summary of Provider Screening Activities for Medicaid Enrollment



	Risk level for fraud, waste, and abuse		
	Limited	Moderate	High
 Licensure verification	✓	✓	✓
 Federal database checks	✓	✓	✓
 Provider site visit		✓	✓
 Fingerprint background check			✓

Required provider screening activities based on risk level

Source: GAO analysis of Centers for Medicare & Medicaid Services guidance. | GAO-20-8

The Centers for Medicare & Medicaid Services (CMS)—the federal agency that oversees Medicaid—supports states' implementation of new requirements with tailored optional consultations, such as CMS contractor site visits that examine the extent of states' implementation. Yet, because these are optional, states that need support might not participate, and CMS would not have information on those states. CMS uses other methods to oversee states' compliance, such as, the Payment Error Rate Measurement (PERM) process for estimating improper payments, and focused program integrity reviews.

- PERM. This process assesses states' compliance with provider screening and enrollment requirements, but does not assess compliance for all providers and all requirements, and occurs once every 3 years.
- Focused program integrity reviews. These reviews examine specific areas in Medicaid, like state compliance with provider screening and enrollment requirements, but have not been done in all states. CMS conducted reviews in 39 states in fiscal years 2014 through 2018.

Collectively, CMS's oversight methods do not provide it with comprehensive and timely reviews of states' implementation of the provider screening and enrollment requirements or the remediation of deficiencies. As a result, CMS lacks assurance that only eligible providers are participating in the Medicaid program.