

AUDITS AND INVESTIGATIONS DIVISION

The Audits and Investigations Division includes functions that are concerned with Medi-Cal client and provider fraud and abuse, internal and external audits, and quality control.

This function operates independent of program operations and provides the public with a single locus for investigation of fraud and abuse and expresses the Director's commitment to deal firmly with such problems.

The Division consists of five major program elements:

- Investigations Branch
- Quality Control and Evaluation Branch
- Surveillance and Utilization Review Branch
- Multidiscipline Audits Branch
- Financial Audits Branch

A. The Investigations Branch is responsible for investigating alleged provider and beneficiary fraud in the Medi-Cal program. A full investigation is made of complaints concerning possible commission of a crime or a violation of a statute or regulation, particularly those violations that have potential for serious harm to a beneficiary, involve a significant amount of Medi-Cal or other funds, or show a repetitive pattern suggesting systematic abuse of the program. Investigations are conducted in full cooperation with law enforcement agencies. If fraud appears to exist, cases are referred to the Medi-Cal Fraud Unit in the Department of Justice for further investigation and possible prosecution.

assess the quality of care; recommend and initiate program; and administrative corrective action. These tasks are accomplished by licensed medical professionals assisted by technical, administrative, and clerical support staff.

Medicaid Quality Control Program. A statistical sample of Medi-Cal eligibles is reviewed to test the validity of the eligibility/liability determinations, the claims payment process, and third-party liability/other health coverage collection activities. The purpose of this review is to provide Department management with valid estimates of misapplied Medi-Cal expenditures and analysis of the major problem areas and causes.

C. The Multidiscipline Audits Branch conducts audits which integrate the review of both financial and medical operations of acute care hospitals and post-payment reviews of pharmacies participating in the Medi-Cal program.

The Multidiscipline Audits Sections—North and South—provide the only postpayment medical review capability within the Department for pharmacies and acute care institutions.

E. The Financial Audits Branch is responsible for the fiscal, medical, and management audits of institutional providers under the Medi-Cal program and contract providers under public health programs. Other special reviews are conducted as requested by the Health and Welfare Agency, the Attorney General, and the Auditor General.

D. The Surveillance and Utilization Review Branch performs postpayment reviews of services provided under the Medi-Cal program to identify unnecessary or inappropriate utilization and excess payments;

D. The Quality Control and Evaluation Branch element is responsible for conducting the federally required

F. The State Controller's Office will perform audits of Medi-Cal expenditures on behalf of DHS and will submit its findings and recommendations to DHS for appropriate action.

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