



STATE OF MARYLAND

DHMH

Office of Health Services
Medical Care Programs


Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM

April 7, 2011

TO: Medicaid Providers

FROM: Susan J. Tucker, Executive Director 
Office of Health Services

SUBJECT: Implementation of the Patient Protection and Affordable Care Act
Requirement – Credible Allegation of Fraud and Payment Suspension

On February 2, 2011 in the Federal Register Volume 76, Number 22, the Centers for Medicare & Medicaid Services (CMS) clarified new requirements under the Patient Protection and Affordable Care Act (PPACA) regarding Medicaid Program Integrity efforts to combat fraud and abuse. The Social Security Act was amended with requirements that the State Medicaid Agency:

- MUST suspend all Medicaid payments to a provider after the agency determines there is a **credible allegation of fraud** for which an investigation is pending under the Medicaid program against an individual or entity,
- MUST make a fraud referral to the Medicaid Fraud Control Unit (MFCU) whenever the State Medicaid agency investigation leads to the initiation of a payment suspension in whole or part,
- MUST send notice of its suspension of program payments within the following timeframes:

Five days of taking such action **unless** requested in writing by a law enforcement agency to temporarily withhold such notice.

Thirty days if requested by law enforcement in writing to delay sending such notice, which request for delay may be renewed in writing up to twice and in no event may exceed 90 days.

- The provider may request, and must be granted, administrative review in accordance with Code of Maryland Regulation 10.09.36.09.



The Social Security Act was also amended to include a definition of *credible allegation of fraud*. A credible allegation of fraud may be an allegation, which has been verified by the State, from any source, including but not limited to the following:

- (1) Fraud hotline complaints,
- (2) Claims data mining,
- (3) Patterns identified through provider audits, civil false claims cases, and law enforcement investigations.

Allegations are considered to be credible when they have indicia of reliability and the State Medicaid agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis.

These new provisions in the Social Security Act are effective March 25, 2011.