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**Testimony in Support of HB 2217
Presented to the House Committee on Health and Human Services
By Steven D. Anderson, CIG, Medicaid Inspector General**

February 10, 2025

Chair Carpenter and Members of the Committee:

My name is Steve Anderson, Medicaid Inspector General, and I am pleased to present the following information in support of HB 2217.

The core mission of the Inspector General's Office (OIG) is to identify fraud, waste, abuse, and illegal acts in the Medicaid programs. This is achieved through audits, reviews, and investigations. The State of Kansas Medicaid program is over a \$5.5 billion expenditure each year that currently serves an average of 467,440 beneficiaries each year.

The following is a chart for every audit completed since 2021. All audits and annual reports are available at this link: <https://ag.ks.gov/divisions/medicaid-inspector-general>

	Issue	Waste	Overpayment	Savings	Findings	Recom
22-01	Hotline Access	\$0	\$0	\$0	0	3
22-02	MediKan	\$1,665,815		\$1,252,520	5	4
22-03	Capitation		\$1,534,043	\$1,313,176	1	2
22-04	HCBS	\$193,253,421	\$3,294,593	\$8,001,791	7	17
23-01	Eligibility		\$1,370,377	\$400,000	5	13
24-01	Multi IDS		\$95,145	\$105,256	2	7
24-02	Trans Med	\$16,326,365		\$1,574,909	5	15
Interim	School Checks	\$0	\$0	\$0	0	3
24-03	CCRC	\$88,497,393		\$12,274,090	9	19
	Totals	\$299,742,994	\$6,294,158	\$24,921,741	34	83

The requested revisions to K.S.A 75-7427 will also allow the OIG to conduct audits and investigations of cash and food assistance programs that have a severe lack of oversight.

- The goal is to increase the effectiveness and efficiency of the programs to help ensure those entitled to benefits are receiving them.
 - We have no intention of removing people rightfully receiving benefits.
 - We are focused on making the system work better for everyone.
- Audits are seldom conducted and when they are conducted, the scope is limited.
 - Federal audits are conducted on the Medicaid program, but as noted above we continually find issues that need to be corrected.

Below are the FY 2024 expenditures for three of the assistance programs that the OIG would be able to provide needed oversight and audits to with expanded authority.

Food Assistance (SNAP)

\$428,535,971 103,594 Adults; 85,117 Children = 188,711 (10,470 able-bodied adults)

Temporary Assistance for Needy Families (TANF)

\$9,735,584 2,032 Adults; 5,197 Children = 7,229

Child Care

\$84,751,746 13,466 Children

These programs are essential to taking care of Kansans who need it most; however, these programs are often taken advantage of by bad actors. Our goal is to root out fraud, waste, abuse, and illegal acts of these programs as we have done with Medicaid. The requested revisions are not intended to supplant or duplicate investigations currently conducted by DCF investigators of food assistance eligibility fraud.

- OIG special agents have the ability to conduct higher-level and more complex investigations of contractors, employees, and providers.
- OIG special agents are currently working joint cases with DCF investigators on matters that involve Medicaid and food assistance fraud that will be referred for prosecution.
- OIG investigations would seek criminal and civil action for cases involving a significant amount of fraud committed by vendors and providers.
- Any work completed by the OIG will be reported separately from DCF work in our annual report.

Another benefit of expanded OIG authority is handling internal employee investigations of DCF employees. Currently, DCF handles these investigations, which has been criticized as a conflict

of interest. OIG would be an independent investigative authority to conduct internal investigations.

- OIG special agents have the capabilities to conduct those investigations.
- OIG staff would be able to conduct unbiased reviews of policies and procedures to help ensure programs intended to help and protect children are effective and are being followed.

The House of Representative's Health and Human Services Committee and the Senate's Public Health and Welfare Committee would benefit from the work of an expanded OIG.

- The OIG currently provides informational briefings and reports on audits, reviews, and investigations involving Medicaid related programs to the Robert G. (Bob) Bethell Joint Committee on Home & Community Based Services and KanCare Oversight.
- The OIG's testimony would provide independent and unbiased information to these important oversight committees.

As the OIG exists today, we have been able to identify over \$330 million dollars in fraud, waste, abuse, and savings. By expanding the authority of this office, we can do even more to protect Kansas taxpayers.

In a letter dated February 8, 2024, from the Secretary of Agriculture, Thomas J. Vilsack, to Governor Laura Kelly, the following concerns were addressed:

The Supplemental Nutrition Assistance Program (SNAP) serves as our Nation's foundational safety net for low-income families, older adults, and individuals with disabilities to obtain the nutrition they need. SNAP plays a critical role in reducing hunger, improving health, and helping children succeed in school and in life. The United States Department of Agriculture (USDA) and States together share the responsibility to make sure that households have access to timely and accurate SNAP benefits.

*I urge you to prioritize these concerns and take appropriate steps to make sure that your State has an acceptable application processing timeliness (APT) rate, payment error rate (PER), and case and procedural error rate (CAPER) and meets basic Federal requirements. The most recent State-reported data show Kansas had an APT rate of 88.54 percent (acceptable performance is above 95 percent), an overpayment error rate of 8.74 percent and an underpayment rate of 0.33 percent in Fiscal Year 2022 (acceptable performance is below 6 percent when the two are added together), and a Fiscal Year 2022 CAPER of 35.06 percent (national average is 44.12 percent). **Further, according to the most recent State-reported data, your performance in both PER and CAPER are worse.***

Timely and accurate SNAP processing is critical to meeting the nutrition needs of low-income families and protecting the integrity of SNAP. Americans in need should have access to essential benefits without unnecessary delays. People should not lose access to food because States are unable to review their applications in a timely fashion. States must deliver benefits in the right amounts, to the right individuals, and in the required periods of time. Both timeliness and program integrity are critical to maintain public confidence in States' management of SNAP and to maximize the impact of Federal investment in addressing food insecurity. USDA takes its oversight and monitoring role of State performance seriously and has been proactively engaging with States on these issues.

USDA is ready to work with you to ensure that those in need of nutrition assistance receive timely and accurate benefits. States should consider all options available under current law — such as assigning the longest certification periods allowed for the household or streamlining verification — to reduce burden on clients and to increase staff time available for reducing backlogs and focusing on accurate and timely case processing. States can also make investments in systems and staffing to improve efficiency, provide excellent customer service, and meet Federal standards. USDA stands ready to provide technical assistance on policy and operational options available to your State, best practices from other States, and other support.

Please note the highlighted sentence in the letter. USDA is encouraging Kansas to do a better job with SNAP benefits. This is an area where the OIG would be able to assist.

Thank you for your time. I will be happy to answer questions.