

# New Mexico Human Services Department

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Bill Richardson, Governor  
Pamela S. Hyde, J.D., Secretary

July 01, 2009

Dear Provider:

The Deficit Reduction Act of 2005 (DRA) created the Medicaid Integrity Program (MIP) and directed the Centers for Medicare & Medicaid Services (CMS) to enter into contracts to review Medicaid provider actions, audit claims, identify overpayments, and educate providers and others on Medicaid Program Integrity issues.

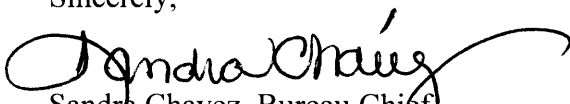
CMS has contracted with Heath Management Systems (HMS) to support the implementation of section 6034 of the DRA and perform audits of Medicaid providers. Any Medicaid provider may be audited, including but not limited to fee-for-service providers, institutional and non-institutional, as well as managed care entities. One of the provisions of the contracts is to audit claims for payment submitted by individuals or entities who furnish items or services for which payment was made by Medicaid in accordance with New Mexico Medicaid laws and regulations. The overall goal of the provider audits is to identify overpayments and to ultimately decrease the payment of inappropriate Medicaid claims. The audits will ensure that Medicaid payments are for covered services that were actually provided and properly billed and documented. **HMS will perform field and on-site desk audits. Audits have begun in New Mexico and will be expanded to all states and territories.**

CMS contractors have the authority to request and review copies of provider records, interview providers and office personnel, and have access to provider facilities. Requested records must be made available to HMS within the requested timeframes. As a provider, you will have the opportunity to review and comment on the draft report findings. CMS will consider these comments and prepare a revised draft report. CMS will allow the Department to review the revised draft report and make additional comments. Thereafter, CMS will finalize the audit report, specify any identified overpayment, and send the final report to the Human Services Department (HSD). The HSD will pursue the collection of any overpayment in accordance with State law. Providers have full appeal rights under State law. HMS will be available to provide support and assistance to providers throughout the adjudication of the audit.

Additional information on the Medicaid Integrity Program is available at:  
<http://www.cms.hhs.gov/DeficitReductionAct>.

If you have any questions regarding these audits, please contact Everet Apodaca, HSD/MAD Quality Assurance Bureau, Program Integrity Manager, at (505) 827-3135.

Sincerely,

  
Sandra Chavez, Bureau Chief  
Quality Assurance Bureau

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