

Reducing Medicaid Improper Payments

As Medicaid agencies continue to provide essential healthcare services, these agencies must do so while addressing lower budgets and funding cuts through a combination of cost-saving strategies, efficiency improvements, and policy adjustments. Conserving limited budgets can be achieved by proactively eliminating improper payments, ensuring valuable program dollars are spent on individuals and families that meet eligibility criteria.

Managing Capitation Expenditures Across An Enrollee's Life Change Events

Medicaid programs spend millions of dollars in capitation fees for Medicaid enrollees who are no longer eligible to receive benefits due to a change in life circumstances. Assuming a conservative cost of \$500 each member month spent to Managed Care Organizations (MCOs), these improper payments quickly balloon, as seen in the two examples below:

Example 1

A Medicaid enrollee moves to another state without informing their originating State's program:

- If the person applies for Medicaid in the new state AND their records are sufficiently matched within the Public Assistance Reporting Information System (PARIS) project, benefits may be terminated in the original state after a procedural lag of at least 3-4 months at a minimum.
- If the person does not apply for Medicaid in the new state, the original state has no way to be alerted of this change and will continue to make improper payments until the next enrollment cycle, which may be for up to a year or more.

Example 2

A Medicaid enrollee passes away:

- Without consistent, reliable matching against authoritative sources of death information, the state will pay capitation payments on the deceased person's behalf until the next enrollment cycle, which may be up to a year or more.

Proven Solutions from LexisNexis® Risk Solutions to help Eliminate Improper Payments

Medicaid agencies can take advantage of existing solutions to reduce improper payments.



Monitoring for Life Change Events – Many states leverage data checks for in-state residency and deceased at the time of enrollment. These services can be used to monitor beneficiaries for critical life change events throughout their enrollment period such as:



In-State Residency Validation – helps streamline eligibility decisioning if a beneficiary moves and applies for Medicaid in a different state



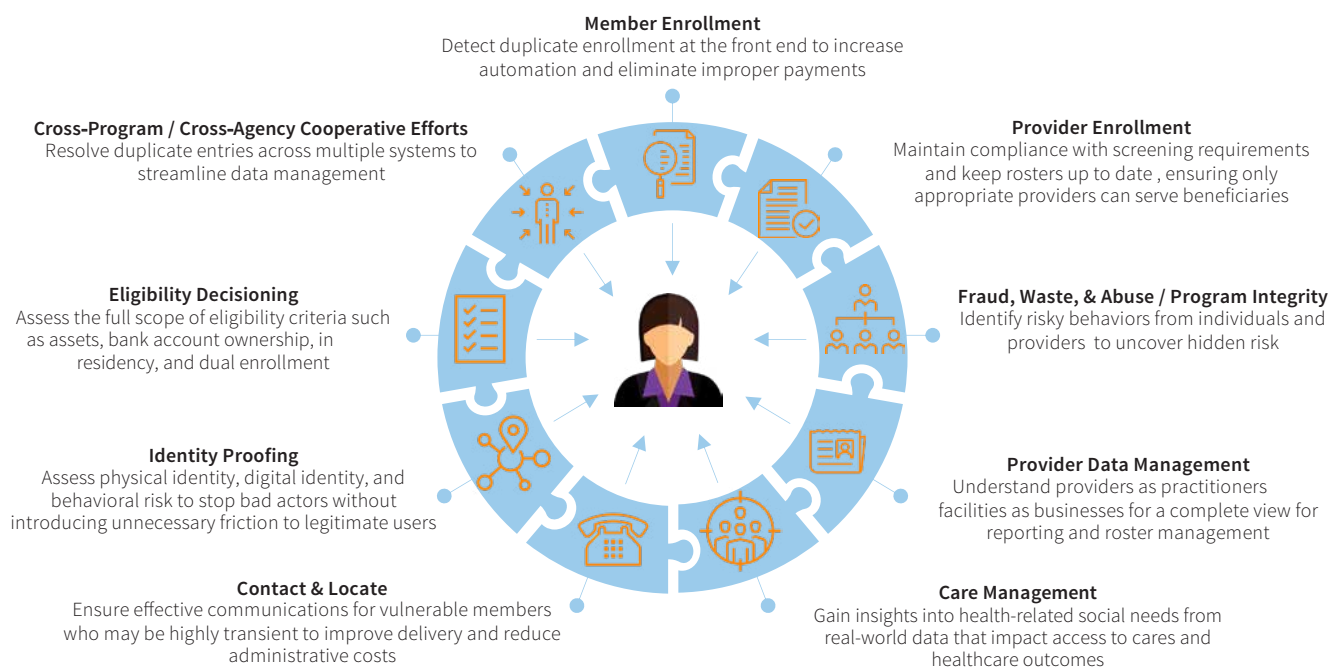
Deceased Checks – based on Social Security Administration Death Master File (SSA DMF) and other authoritative sources – inclusive of the ability to obtain copies of death certificates, if required for processing.

Real-time Detection of Duplicate Enrollment – For over a decade, four states have collaborated to perform real-time matching and prevent dual participation in their Supplemental Nutrition Assistance Program (SNAP). This solution:

- Blends directly into Integrated Eligibility System (IES) workflows.
- Provides workflow and guidance so states can collaboratively determine where a person's proper enrollment should be.
- Saved over **tens of millions** in benefit dollars:
 - On average, **5.5%** of annual applications were immediately denied for duplicate coverage – even duplicate coverage within a single state.
- Overall, LexisNexis Risk Solutions found our solution to have benefits over other solutions by providing:
 - Improved accuracy of matching a single person across systems.
 - Substantial program savings from moving the detection from “pay and chase” to proactive, real-time identification at enrollment

Leveraging precise and current data is critical in ensuring successful Medicaid operations. As an industry leader in referential linking and authoritative data insights, LexisNexis Risk Solutions can be a trusted partner with Medicaid agencies to provide identity-driven data that Medicaid agencies require to make important eligibility determinations. Critical data points like residency and deceased monitoring can drive significant savings — even the smallest states can save millions annually through more accurate capitation spending.

LexisNexis Risk Solutions can partner with Medicaid agencies throughout the beneficiary experience.



Contact us today to learn how LexisNexis Risk Solutions can help your Medicaid agency reduce improper payments.

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About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare, and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com, and www.relx.com.

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