

# NEWS RELEASE

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## FOR IMMEDIATE RELEASE

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## DHHS Is Overhauling HIPP Program

**Lincoln** – The Health Insurance Premium Payment program is being overhauled in light of the findings of the Auditor of Public Accounts, said Vivianne Chaumont, director of the Medicaid and Long-Term Care Division in the Department of Health and Human Services.

Chaumont made the comment at a joint news conference today (5/29) with State Auditor Mike Foley.

DHHS CEO Kerry Winterer recognized Foley for the work of his staff in examining the Medicaid program. "I want Nebraska citizens to know that we agree with most of the recommendations in this audit, and as auditors began pointing out concerns, we immediately took action," he said.

Chaumont said that when notified by auditors of their initial findings, other employees were placed in charge of the program.

"We are reviewing and overhauling the HIPP program as a result of this audit," she said. "We recognize there were incorrect payments, and we continue to look into those and pursue collection of overpayments."

She said while the Auditor's report questioned all \$6.5 million in payments made through HIPP, the auditor reviewed the 70 highest-cost cases of more than 450.

"We have also reviewed those cases," Chaumont said. "We have found that Medicaid is making cost-effective payments to clients in nearly half those cases. As the number of documented cost-effective cases increases, the dollar impact cited by the Auditor decreases."

Her division's review of the cases is an ongoing process and documentation continues to be received from clients.

"After the review of all cases, we will issue a report on the results and provide recommendations about whether HIPP should continue," Chaumont said. "HIPP is no longer a federal mandatory program. In addition, this area of Medicaid is changing in light of expanded managed care. We will look at the data and make a determination."

HIPP not only benefits participants, it especially benefits the State by saving money to pay for cost-effective private health insurance plans, rather than bear the full weight of all medical costs, she said.

"We are reviewing all current participants to verify cost effectiveness and we are providing notice to those who don't appear to qualify for HIPP payments," she said. "Staff also started their work developing processes and procedures to ensure that cost effectiveness is documented and calculated to determine whether the payment of a client's insurance premium is cost effective for the Medicaid program."

Chaumont said processes and procedures have been reviewed to ensure that payments are accurate. If it is determined overpayments were made, DHHS will pursue collection of those overpayments. If cases warrant further investigation they will be referred to the DHHS Special Investigations Unit.

"We have implemented significantly improved internal controls of the program, and we will continue to monitor this program and implement additional internal controls as warranted," she said.

Chaumont said there are cases where DHHS does not have sufficient information to determine that they are cost effective. Notices will be sent ending HIPP payments to those clients while also notifying them to provide additional information that may change the determination.

Winterer said the Department of Health and Human Services will hire additional internal audit staff in the next fiscal year to continue to review programs to check for compliance and implement better compliance procedures.

"I believe this will save taxpayers money through their work, and be a good investment for the State," he said. "In the meantime, I have instructed the Department's directors to review their programs, and state and federal regulations and laws to ensure they are in compliance."

DHHS is accountable to the citizens of Nebraska, and these actions are in line with that commitment, he said.