

Regulation Adopted on Suspending Medicaid Payments in Fraud Cases

Following a year-long postponement, the Office of the Medicaid Inspector General (OMIG) has adopted state regulations implementing a federal rule on suspending Medicaid payments in cases of suspected fraud. LeadingAge New York had commented extensively and met with OMIG on the regulations.

CMS adopted final regulations on Feb. 2, 2011, requiring state Medicaid programs to suspend payments to providers under investigation for a “credible allegation of fraud.” The CMS regulations require states to suspend Medicaid payments when fraud cases are referred to the state’s Medicaid Fraud Control Unit, absent one of the “good cause” exceptions in the regulations.

In response to concerns raised by LeadingAge New York and others, OMIG’s [notice of adoption](#) states: “To clarify, the OMIG will review and verify all of the facts and circumstances of an allegation of fraud carefully, judiciously and on a case-by-case basis before initiating a withholding pursuant to this rulemaking.”

The effective date of the regulations is Aug. 22, 2012. OMIG is considering our request to conduct a Webinar on the final payment suspensions policy in the near future.

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