

Surveillance and Utilization Review Subsystem Snapshot

Federal regulations require State Medicaid agencies (SMAs) to implement a Medicaid Management Information System (MMIS), which is an automated claims-processing and information-retrieval system.[1, 2, 3] The MMIS must be “adequate to provide efficient, economical, and effective administration” of its Medicaid State plan.[4, 5] Regulations also require SMAs to include a statewide surveillance and utilization review subsystem (SURS) in the MMIS.[6, 7, 8]

Unlike claim-processing subsystems that process one claim at a time,[9] SURS can be used to analyze post-payment data for multiple claims at a time to identify suspicious provider billing patterns. Federal regulations require states to have a post-payment review process that allows State personnel to develop and review:

- Beneficiary utilization profiles;
- Provider service profiles; and
- Exceptions criteria.

The post-payment process must identify exceptions so that the agency can correct misutilization by recipients and providers.[10, 11]

SURS vary. States have the flexibility to design a system for the prevention, detection, and control of fraud and abuse that specifically meets the needs of the State. For example, Colorado adopted an Electronic SURS, which has created an electronic data query mechanism for more than 60 people across multiple units.[12] In Minnesota, the SURS unit implemented system edits that impose daily and monthly service limits for personal care services, identify conflicting claims, and check claims billed through an affiliated agency before they are paid.[13] Florida utilizes a wide range of SURS tools to search for over-utilization patterns, upcoding, unbundling, and double billing.[14]

Some States have discrete SURS units, while others fold these functions into a larger program integrity effort. These units identify patterns, conduct reviews and preliminary investigations, refer potential cases to the Medicaid Fraud Control Unit, and assist in criminal investigations, where appropriate.[15]

For More Information

To see the electronic version of this and other E-Bulletins and for more information on other program integrity topics posted to the Medicaid Program Integrity Education page, visit <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS website.

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