



Minnesota Department of Human Services

**Minnesota Payment Integrity: Pre-Payment
Solution Roadmap and Rapid Response
Team to Improve Detection of Fraud, Waste
and Abuse in DHS Health Care Program**

**Phase 1 Summary Report –
Achievements, Findings and
Recommendations**

This report contains not public data as classified by the Minnesota Government Data Practices Act, including security information, trade secret information, and auditing data. For ease of reference and protection, not public information is highlighted throughout the document. Improper disclosure of such information could jeopardize the State's ability to safeguard tax payer funds from fraudulent actors.

Date
January 30, 2026 - Final

**Optum State Government Solutions
Optum Insight**

Phase 1 Summary Report: Achievements, Findings and Recommendations

Executive Summary

Purpose

Minnesota's Department of Human Services (DHS) has implemented a pre-payment program integrity (PI) framework to prevent fraud, waste, and abuse (FWA) before Medicaid claims are paid. This PI initiative strengthens compliance, protects taxpayer dollars, and facilitates sustainable healthcare funding.

Why It Matters

Phase I of the PI initiative kicked off in late October 2025 and has been able to:

- Identify over \$52.3 million¹ in direct recoveries attributable to clearly defined policy violations across the 14 high-risk service areas from paid claim analyses. Direct recoveries are related to funds that can be recouped based on identified issues (usually, directly against policy standards).
- Identify potential recoveries that total more than \$1.7 billion¹ based on paid claim analyses. These costs are associated with a point in time that suggest opportunities for corrective action (usually, missing/vague policy found within vulnerabilities), and may require a review of records for medical necessity.
- Recognize more than \$165 million¹ in cost avoidance as inappropriate billing declined from third quarter 2025 to fourth quarter 2025 based on paid claims. Cost avoidance refers to proactive measures that prevent future expenses rather than reducing current spending.
- Improve detection and prevention of improper claims before payment.
- Support federal compliance under 42 CFR Part 455 – Program Integrity.
- Identify paid claim high-risk service area Provider Findings of over \$21 million that have been reported to the State for review as of January 13, 2026.
- Identify pre-pay claim analytic findings within the warrant cycle of over \$2.9 million that have been reported to the State for review as of January 15, 2026.

¹ Details are provided in the Vulnerability Assessment Report that is submitted separately in parallel with this document.

Phase 1 Summary Report: Achievements, Findings and Recommendations

Phase 1 Achievements

The following has been completed through Phase 1 of the PI initiative project:

- Established an AI-enabled pre-payment analytics process
- Executed 192 targeted analytics across 14 high-risk service areas
- Provided bi-weekly report identifying providers for the State to further review
- Initiated pre-pay claim analysis within the warrant cycle
- Completed a Claims Editing System (CES) assessment for automation opportunities²

Next Steps

Phase 2 (January 22, 2026 – forward) will focus on:

- Continuing bi-weekly Provider Findings Reports to DHS with actionable provider suspension recommendations
- Automation of pre-payment analytics
- Expansion of provider suspension workflow

² Details are provided in the CES Assessment that is submitted separately in parallel with this document.

Phase 1 Summary Report: Achievements, Findings and Recommendations

Table of Contents

Executive Summary	1
1. Purpose	4
2. Scope	5
2.1. Phase 1 Project Approach	6
3. Achievements	7
3.1. Established Pre-Payment Process	7
3.1.1. Project Management	8
3.1.2. Data Access	8
3.2. Analytics Generation	9
3.2.1. Policy Validation Meetings	9
3.2.2. Analytics Generation	10
3.2.3. Policy & Analytic Reviews: Check Assumptions	11
3.2.4. Vulnerability Assessment	12
3.3. Paid Claim Provider Findings	13
3.3.1. Paid Claim Provider Findings Reports	13
3.3.2. Paid Claim Findings Validation Meetings	14
3.3.3. Findings & Recommendations	14
4. Pre-Pay Claim Analytics Within the Warrant Cycle	17
4.1. Summary of December 2025 Pre-Pay Claim Analytics	17
4.2. Summary of January 2026 Pre-Pay Claim Analytics	19
5. Claims Editing System (CES) Assessment	23
6. Conclusion	24

Phase 1 Summary Report: Achievements, Findings and Recommendations

1. Purpose

This PI initiative project establishes a one-year plan to enhance the State of Minnesota Department of Human Services' (the "State" or DHS) ability to detect and prevent fraud, waste, and abuse, as well as improve overall payment integrity, before Medicaid claims are processed by the State. The plan is comprised of two phases for establishing an AI-enabled hybrid pre-payment program integrity initiative. Phase 1 began on October 24, 2025, and concludes on January 22, 2026, with Phase 2 to follow immediately thereafter.

This document provides the following:

- Activities completed through Phase 1
- Key achievements
- Prepayment claims analysis solution results summary
- Cost savings trends that have been estimated to date because of these analyses
- Findings and recommendations

Phase 1 Summary Report: Achievements, Findings and Recommendations

2. Scope

The primary objective of Phase 1 is to conduct a comprehensive evaluation of fraud, waste, and abuse across 14 High-Risk Service/Programs (listed below). This includes quantifying MMIS claim edits, identifying cost avoidance and recovery opportunities, and launching prepayment strategies to improve long-term savings and operational efficiency.

Optum conducted analyses using paid claim data in the State's Teradata Enterprise Data Warehouse (EDW). Data includes 46 months of fee for service paid claims data. Managed Care claims were not a part of this scope.

14 High-Risk Service/Programs

1. Housing Stabilization Services
2. Peer Recovery Support (PRS)
3. Early Intensive Developmental and Behavioral Intervention (EIDBI)
4. Home and Community Based Service - Integrated Community Supports (HCBS-ICS)
5. Non-Emergency Medical Transportation (NEMT)
6. Adult Rehabilitative Mental Health Services (ARMHS)
7. Personal Care Assistance (PCA) / Community First Services and Supports (CFSS)
8. Adult Day Services
9. Recuperative Care
10. Individualized Home Supports (with & without training, and with family training)
11. Adult Companion Care
12. Night Supervision
13. Assertive Community Treatment (ACT)
14. Intensive Residential Treatment Service (IRTS)

The preceding list identifies both the services and programs that were evaluated, as well as the priority with which each was assessed during Phase 1.

Also, within the Phase 1 scope, Optum completed analyses on pre-pay, adjudicated claims in the warrant cycle which are addressed later in this document.

Phase 1 Summary Report: Achievements, Findings and Recommendations

2.1. Phase 1 Project Approach

The Phase 1 activities were planned and executed in an incremental manner. The execution of the Phase 1 activities was performed by the following Optum teams:

- **Rapid Response team (RRT)** is staffed with program integrity data analysts responsible for identifying and evaluating potential fraud, waste, and abuse patterns along with data engineers who assisted with advanced query development and data management.
- **Pre-Payment team** consists of Fraud, Waste, and Abuse Solutions Specialists and Claims Processing Analysts who combine strategic expertise with operational insight to support prepayment integrity efforts.
- **Claims Editing System (CES) team** consists of certified coding professionals and subject matter experts (SMEs) that assisted state staff in identifying solutions to claims editing challenges of all sizes, using automation.
- **Project Manager & Account Manager** responsible for project coordination, communications with DHS and other Minnesota State organizations, project schedule updates, and delivery of the agreed upon data, information, and materials to DHS.

Phase 1 Summary Report: Achievements, Findings and Recommendations

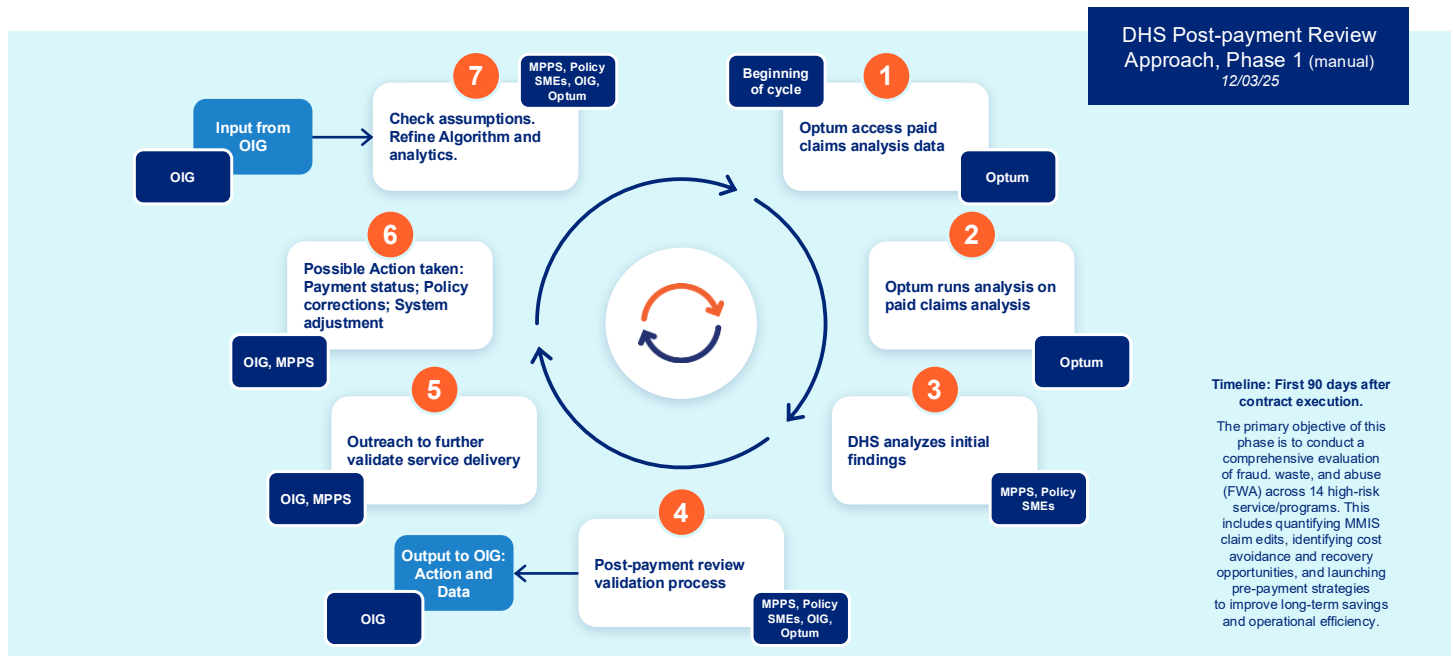
3. Achievements

3.1. Established Pre-Payment Process

At the inception of the project, the RRT team took the lead with a review of State policies related to the 14 programs. The Minnesota Department of Human Services (DHS) directed Optum to the Minnesota Health Care Programs (MHCP) Provider Manual as the primary information source for MHCP coverage policies, rates and billing procedures. It was noted that the Provider Manual is maintained with current updates to ensure alignment with State and Federal regulations.

Throughout Phase 1, the RRT team coordinated the discussion of policy questions and clarification with DHS and Office of Inspector General (OIG) SMEs to promote claims reviews and assessments that align with the State’s expectations.

All 14 High-Risk Service/Program policies were reviewed by the RRT team.



Using policy information, the RRT team analyzed paid claims data and generated lists of suspicious claims and providers that were shared with the Pre-Payment team for deeper analysis. The review of claims was prioritized by program based on the priority identified by the State (as reflected in the table above). With the conclusion of Phase 1, the RRT team has conducted policy and data analysis of all the High-Risk Service/Programs.

The pre-payment activities began with a review of the DHS policy documents. In parallel with the review of the policy by RRT analysts, Optum also deployed an AI Policy to SQL Engine to assist in analytics development and the review of the 14 High-Risk Service/Programs. To support the accuracy of the analytics, the following steps were taken by RRT team analysts:

Phase 1 Summary Report: Achievements, Findings and Recommendations

- Reviewed standard analytics and modified them, as necessary, to facilitate consistency with DHS policies
- Met with DHS, Office of Inspector General (OIG), and Minnesota Information Technology Services (MNIT) SMEs to resolve questions that were identified during the policy reviews
- Met with State representatives to review the preliminary results from the execution of analytics for each service/program
- Asked questions about the observations the RRT team identified, and
- Reviewed and updated, when necessary, analytic logic to facilitate accuracy and completeness.

Following the RRT's team's analysis of service/program data, the findings were regularly shared with the Pre-Payment team. The Pre-Payment team created queries to further analyze the list of leads and high-risk providers. These queries and analyses resulted in the generation of High-Risk Provider Findings Reports submitted to the State bi-weekly (i.e., providers for the State to further review) for integration into the MMIS workflow. The Minnesota team is expected to review these files to determine appropriate actions for applicable providers.

3.1.1. Project Management

At the inception of Phase 1 on October 24, 2025, Optum engaged a Project Management Office (PMO) led by a full-time Project Manager with oversight by an Account Manager. The PMO has been responsible for project coordination, communications with DHS, MNIT and other State organizations, as well as project schedule updates and delivery of the agreed upon data, information, and materials to the State.

The PMO has delivered the following to DHS to provide transparent project execution and communication:

- Weekly Project Status Reports starting December 2nd
- Identification of project risks, issues, action items, and decisions

3.1.2. Data Access

Analyses were conducted using 46 months of fee for service paid claims data (October 2022 – December 2025) in the State's Teradata Enterprise Data Warehouse (EDW). Access to this data is allowable under the provisions of the "Data Sharing and Business Associate Agreement Terms and Conditions," as agreed to under the PI initiative contract.

Prior to gaining access to the State's data, Optum team members completed State required training and then were provided with access to data relevant to the team and activities they were supporting on the project. All members of the RRT and Pre-Payment teams completed training.

Data for paid fee-for-service claims analytics was initially provided to Optum on November 10, 2025. The RRT then initiated analyzing this paid claims data, running analytics, and identifying additional analytics.

MNIT completed activities to provide file sharing capability to Optum on November 18, 2025, which enabled the RRT and Pre-Payment teams to share data. Sharing data was authorized and necessary since the RRT team conducted the initial analysis of claims data that is then analyzed by the Pre-Payment team.

Phase 1 Summary Report: Achievements, Findings and Recommendations

3.2. Analytics Generation

3.2.1. Policy Validation Meetings

As Optum reviewed the State's Medicaid Policy Manual and generated analytics, questions were identified that were reviewed with the State's staff to confirm that the analytics to be executed were consistent with the State's policies. In this regard, two policy-focused discussions were conducted as follows:

On November 10, 2025, Optum met with State program representatives from the following programs:

- Peer Recovery Support (PRS)
- Early Intensive Developmental and Behavioral Intervention (EIDBI)
- Non-Emergency Medical Transportation (NEMT)
- Adult Rehabilitative Mental Health Services (ARMHS)
- Recuperative Care

Prior to the meeting, Optum provided a list of 14 questions to be discussed in the meeting. Following the meeting, Optum issued meeting notes, action items, and the meeting transcript to meeting attendees for reference.

Similarly, on November 17, 2025, Optum met with State program representatives to discuss policy questions for the following programs:

- Personal Care Assistance (PCA) / Community First Services and Supports (CFSS)
- Adult Companion Care
- Night Supervision
- Assertive Community Treatment (ACT)

Prior to the meeting, Optum provided a list of 16 questions to be discussed in the meeting. Following the meeting, Optum issued meeting notes, action items, and the meeting transcript to meeting attendees for reference.

Phase 1 Summary Report: Achievements, Findings and Recommendations

3.2.2. Analytics Generation

Following the policy-focused discussions, analytics for the State’s 14 High-Risk Services/Programs were developed through a multi-step process. The table below identifies the number of analytics developed for each service/program and subsequently executed through Phase 1.

Priority	High Risk Service / Programs	Analytics Executed
1	Housing Stabilization Services	14
2	Peer Recovery Support	5
3	Early Intensive Developmental and Behavioral Intervention (EIDBI)	29
4	Integrated Community Supports (ICS)	13
5	Non-Emergency Medical Transportation (NEMT)	12
6	Adult Rehabilitative Mental Health Services (ARMHS)	24
7	Personal Care Assistance (PCA) / Community First Services and Supports (CFSS)	19
8	Adult Day Services	7
9	Recuperative Care	9
10	Individualized Home Supports	13
11	Adult Companion Care	13
12	Night Supervision	8
13	Assertive Community Treatment (ACT)	16
14	Intensive Residential Treatment Service (IRTS)	11
Total		192

Phase 1 Summary Report: Achievements, Findings and Recommendations

3.2.3. Policy & Analytic Reviews: Check Assumptions

Throughout Phase 1, Optum conducted meetings with State representatives to present and discuss questions on program policy as well as discuss assumptions and preliminary results of the analytics executed. The following meetings were held:

- December 5, 2025 — discussed policy questions and analytics that Optum developed for Housing Stabilization Services
- December 11, 2025 — completed the discussion of questions related to the analytics for Housing Stabilization Services; analytics assumptions and preliminary results were also presented and discussed for the Peer Recover Support program
- December 16, 2025 — discussed policy questions and preliminary results for analytics for the EIDBI and NEMT programs
- December 18, 2025 — continued the discussion of policy questions and preliminary results for analytics for the NEMT program.
- December 23, 2025 — continued the discussion of policy questions and preliminary results for analytics for the EIDBI program.
- January 6, 2026 — met to discuss policy questions and reviewed paid claim algorithms for ARMHS, ICS and Adult Day Center
- January 7, 2026 — met to continue the discussion of policy questions and reviewed paid claim algorithms for ARMHS
- January 8, 2026 — met to discuss policy questions and reviewed paid claim algorithms for Recuperative Care and Night Supervision
- January 9, 2026 — met to discuss policy questions and reviewed paid claim algorithms for ACT
- January 13, 2026 — met to discuss policy questions and reviewed paid claim algorithms for IHS and Adult Companion Care
- January 15, 2026 — met to discuss policy questions and reviewed paid claim algorithms for PCA / CFSS and IRTS

Phase 1 Summary Report: Achievements, Findings and Recommendations

3.2.4. Vulnerability Assessment

The Vulnerability Assessment report³ delivers a comprehensive evaluation of FWA vulnerabilities across the 14 High-Risk Service/Program areas. The assessment quantifies MMIS claim edits, identifies cost avoidance and recovery opportunities, and informs pre-payment strategies to maximize long-term savings and operational efficiency.

The scope and approach of the Vulnerability Assessment that has been executed was developed in concert with the information and findings being identified via the ongoing claims reviews. The Vulnerability Assessment Report has the following format and content:

1. Executive Summary

2. Introduction

3. Identification of Fraud, Waste and Abuse

- **Patterns of Analytics** — recurring behaviors, trends, or sequences observed in data.
- **Vulnerabilities** — weaknesses or gaps in systems, processes, or controls that can be exploited.

4. Measurable Outcomes

- **Direct Recoveries** — analytics specifically addressing what is stated in the policy as “directive” for proper billing and instruction, including the claim criteria provided by the Minnesota Client.
- **Potential Recoveries** — analytics target scenarios where, if policies were refined or updated, such cases would likely be captured by the edit system and either denied or adjusted for payment.
- **Cost Avoidance** — refers to preventing improper or unnecessary payments before they occur, rather than recovering funds after the fact.

5. Recommendations for Prevention

6. Pre-payment Infrastructure Supporting Rapid Implementation

7. Closing Remarks

³ The Vulnerability Assessment Report is being submitted separately in parallel with this document.

Phase 1 Summary Report: Achievements, Findings and Recommendations

3.3.2. Paid Claim Findings Validation Meetings

Findings Validation Meetings are led by Optum’s Pre-Payment team. The Pre-Payment team looks for patterns within the RRT team’s analytic results to identify any provider that the data suggests should be looked at more closely by the State. The outcome of the Pre-Payment team’s analysis is to identify providers for the State to review and determine if payments should be suspended. The Pre-Payment team also identifies providers that they will continue to monitor, collecting additional trend data and potential future suspension recommendations that will be submitted to DHS. Discussions to validate findings in preparation for sending Provider Findings Reports that have been held to date include:

- November 24, 2025 - Reviewed with State recommendations for the initial Provider Findings Report . Optum identified four providers to be reviewed by the State for claim payment suspension, with three of the providers identified from the Non-Emergency Medical Transportation (NEMT) analytics that had been executed.
- December 15, 2025 - Reviewed with State recommendations for the second Provider Findings Report. Optum identified three providers to be reviewed by the State for claim payment suspension, all from Housing Stabilization Services analytics that had been executed.
- December 29, 2025, meeting to review HSS, EIDBI, and NEMT findings
- January 12, 2026, meeting to review EIDBI and NEMT findings

3.3.3. Findings & Recommendations

The table below contains findings submitted to the State to date in Provider Findings Reports that Optum identified for the State to further review:

Provider	Date	Service/ Program	Issue	Impacted Claim Lines	Associated Line Reimbursement	Priority
A	11/25/25	Non-Emergency Medical Transportation (NEMT) Services	Minn. Stat. 13.37 (Secu ██████████	47,827	\$6,465,675.29	High
B			Minn. Stat. 13.37 (Secu ██████████	24,394	\$7,265,044.74	High
C			Minn. Stat. 13.37 (Secu ██████████	3,556	\$345,177.19	Medium
D		Early Intensive Developmental and Behavioral Intervention (EIDBI)	Minn. Stat. 13.37 (Security/Trac ██████████	16	\$3,221.86	Low

Phase 1 Summary Report: Achievements, Findings and Recommendations

Provider	Date	Service/ Program	Issue	Impacted Claim Lines	Associated Line Reimbursement	Priority
E	12/15/25	Housing Stabilization Services	Minn. Stat. 13.37 (Security/Trade Secret)	121	\$41,001.96	High
F				34	\$5,744.60	Medium
G				24	\$2,898.05	Low
H	12/29/25	Housing Stabilization Services		30	\$5,193.00	Low
I				57	\$9,726.55	Low
J				7	\$1,219.54	High
K		Early Intensive Developmental and Behavioral Intervention (EIDBI)		55,979	\$4,748,495.00	High
L				45	\$1,358.34	Low
M	Nonemergency Medical Transportation (NEMT) Services	451		\$44,120.87	Medium	
N	01/13/26	Early Intensive Developmental and Behavioral Intervention (EIDBI)	2,472	\$418,371.89	High	
O			1,790	\$602,841.76	High	
P		Nonemergency Medical Transportation (NEMT) Services	2,224	\$70,652.46	Low	
Q			1,428	\$31,006.41	Low	

Phase 1 Summary Report: Achievements, Findings and Recommendations

Provider	Date	Service/ Program	Issue	Impacted Claim Lines	Associated Line Reimbursement	Priority
R			<small>Minn. Stat. 13.37 (Security/Trade Sec)</small> [REDACTED]	1,171	\$33,125.50	High
S			[REDACTED]	10,523	\$1,271,187.26	High
Total				151,698	\$21,366,062.27	

Legend

Priority:

- **High** — Egregious pattern and/or significant financial impact observed
- **Medium** — Clear pattern but moderate financial impact or claims volume observed
- **Low** — Pattern present but minimal financial impact or claims volume observed - Continue to monitor

Phase 1 Summary Report: Achievements, Findings and Recommendations

4. Pre-Pay Claim Analytics Within the Warrant Cycle

DHS, MNIT, and Optum agreed on November 24, 2025, to work to expand analytical reviews to include pre-pay claims within the warrant cycle.

To support this initiative, the State was required to provide Optum pre-pay claims data from the ODS system in the same format and delivery manner as the paid claims data from EDW.

Optum's approach to executing the analytics for the pre-pay claims mirrors, in many regards, the processes and analytics used for paid claims. The approach includes:

- Once the ODS pre-pay claims data has been loaded into views for Optum, Optum will initially manually run the already built analytic queries against the pre-pay claims data.
- Optum delivered the first pre-pay claim analytics on December 31, 2025, during the warrant cycle.
- These analytics were subsequently automated, and the results of these daily analytic runs were reviewed by the RRT team which generated finding output for the State.
- Output for the second pre-pay claim analytics focuses on data through January 8, 2026, and was delivered on January 15, 2026.

Optum completed and submitted the initial pre-pay analytic findings to the State on December 31, 2025, and submitted a subsequent set of findings on January 15, 2026, as presented below.

4.1. Summary of December 2025 Pre-Pay Claim Analytics

The results from the December 31, 2025 submittal are presented in the table below. Further, Optum noted that the data included **prioritizations** for Pay To Provider NPIs as follows:

High – 2

Medium – 6

Low – 1

The remaining Pay To Provider NPIs have a **Watch** status.

In this context, the prioritizations are defined as:

- **High** — Claims that require review due to direct policy conflicts, payment volume, and total dollars paid, with consideration to historical patterns.
- **Medium** — Claims with policy conflicts, lower volume, and lower dollars paid, taking historical trends into account.
- **Low** — Claims that are outside policy guidelines, low in volume, and indicative of patterns rather than direct guideline conflicts.
- **Watch** — Claims to be closely monitored to ensure the second provider has the opportunity to properly submit them within the 12-month filing deadline

The table below includes results from the December 31, 2025 submittal of the initial pre-pay findings: .

Phase 1 Summary Report: Achievements, Findings and Recommendations

Service/ Program	Analytic #	State Claim Status Description	Count of Claim Lines	Distinct Count of Recipient IDs	Distinct Count of Pay to Provider NPIs	Sum of Line Reimbursement Amount
December 24, 2025 Pre-Pay Claim Analytics **						
Assertive Community Treatment	Min. Stat. 13.37 (Security/Trade Secre	To be denied	21	2	2	\$ -
Adult Day Center		No results in current warrant		1	1	\$ -
Adult Rehab. Mental Health Services		To be denied	4	2	2	\$ -
		To be paid	38	24	17	\$ 5,479.05
Companion Care		No results in current warrant		1	1	\$ -
Early Intensive Developmental and Behavioral Intervention		No results in current warrant		1	1	\$ -
Housing Stabilization Services		No results in current warrant		1	1	\$ -
Integrated Community Supports		No results in current warrant		1	1	\$ -
Individualized Home Supports		To be paid	43	10	9	\$ 8,920.04
Intensive Residential Treatment Service		No results in current warrant		1	1	\$ -
Non-Emergency Medical Transportation		Suspended	1,041	39	10	\$ 72,419.58
		To be denied	1,233	137	13	\$ -
		To be paid	2,388	184	33	\$ 78,816.84
Night Supervision	No results in current warrant		1	1	\$ -	

Phase 1 Summary Report: Achievements, Findings and Recommendations

Service/ Program	Analytic #	State Claim Status Description	Count of Claim Lines	Distinct Count of Recipient IDs	Distinct Count of Pay to Provider NPIs	Sum of Line Reimbursement Amount
Personal Care Assistance / CFSS	Minn. Stat. 13.37 (Security/Trade Sec)	To be denied	93	6	2	\$ -
Peer Recovery Support Services		Suspended	468	147	38	\$ 3,079.10
		To be denied	291	103	33	\$ -
		To be paid	833	293	59	\$ 62,711.71
Recuperative Care		No results in current warrant		1	1	\$ -
Total			6,453	955	226	\$ 231,426.32

** Note: The findings results are only for concerning claims for the 14 analytics run for this analysis.

4.2. Summary of January 2026 Pre-Pay Claim Analytics

The results from the January 15, 2026, submittal are presented in the table below. In addition, Optum noted that the data included prioritizations for Pay To Provider NPIs as follows:

High – 8

Medium – 174

Low – 11

The remaining Pay To Provider NPIs have a **Watch** status.

Service / Program	Analytic #	State Claim Status Description	Count of Claim Lines	Distinct Count of Recipient IDs	Distinct Count of Pay To Provider NPIs	Sum of Line Reimbursement Amount
January 2026 Pre-Pay Claim Analytics ***						
Assertive Community Treatment	Minn. Stat. 13.37 (Security/Trade Secret)	To be paid	30	3	2	\$15,247.50
		Suspended – 0998 Exc Code	82	9	3	\$34,771.00

Phase 1 Summary Report: Achievements, Findings and Recommendations

Service / Program	Analytic #	State Claim Status Description	Count of Claim Lines	Distinct Count of Recipient IDs	Distinct Count of Pay To Provider NPIs	Sum of Line Reimbursement Amount
		No results in current warrant				
Adult Day Center		To be paid	7	2	2	\$191.52
		Suspended – 0998 Exc Code	38	5	2	\$3,670.65
		No results in current warrant				
Adult Rehab. Mental Health Services		To be paid	17	13	9	\$2,728.53
		Suspended – 0998 Exc Code	98	62	38	\$15,004.65
		No results in current warrant				
Companion Care		No results in current warrant				
		No results in current warrant				
Early Intensive Developmental and Behavioral Intervention		No results in current warrant				
		To be paid	1,040	63	32	\$160,304.13
		Suspended – 0998 Exc Code	8,420	464	152	\$2,044,435.55
Housing Stabilization Services		No results in current warrant				
		To be paid	19	18	10	\$1,521.21
		Suspended – 0998 Exc Code	4	4	3	\$705.27
Integrated Community Supports		No results in current warrant				
		Suspended – 0998 Exc Code	3	1	1	\$1,090.95

Phase 1 Summary Report: Achievements, Findings and Recommendations

Service / Program	Analytic #	State Claim Status Description	Count of Claim Lines	Distinct Count of Recipient IDs	Distinct Count of Pay To Provider NPIs	Sum of Line Reimbursement Amount
Individualized Home Supports	Minn. Stat. 13.37 (Security/Trade Secret Info)	To be paid	14	3	3	\$2,496.66
		Suspended – 0998 Exc Code	213	19	17	\$47,244.95
		No results in current warrant				
Intensive Residential Treatment Service		No results in current warrant				
		No results in current warrant				
Non-Emergency Medical Transportation		To be paid	15	3	1	\$884.14
		Suspended – 0998 Exc Code	4	2	1	\$34.00
		Suspended – 0998 Exc Code	78	13	8	\$5,073.24
Night Supervision		No results in current warrant				
		To be paid	60	4	4	\$11,388.58
		Suspended – 0998 Exc Code	738	35	31	\$206,373.40
Personal Care Assistance / CFSS		No results in current warrant				
		No results in current warrant				
Peer Recovery Support Services		Suspended – 0998 Exc Code	9	2	3	\$1,847.46
		To be paid	127	77	27	\$11,815.36
		Suspended – 0998 Exc Code	1,265	409	79	\$105,188.12

Phase 1 Summary Report: Achievements, Findings and Recommendations

Service / Program	Analytic #	State Claim Status Description	Count of Claim Lines	Distinct Count of Recipient IDs	Distinct Count of Pay To Provider NPIs	Sum of Line Reimbursement Amount
Recuperative Care	<small>Minn. Stat. 13.37 (Security/Trade)</small> [Redacted]	No results in current warrant				
	[Redacted]	No results in current warrant				
Total			12,281			\$ 2,672,016.87

***Note: The findings results are only for concerning claims for the 28 analytics run for this analysis.

Phase 1 Summary Report: Achievements, Findings and Recommendations

5. Claims Editing System (CES) Assessment

Optum will deliver a CES Assessment by January 22, 2026. An overview of the planned CES Assessment process includes:

- As a claim is received from the clearinghouse/provider, it runs through the pre-adjudication process of checking for eligibility, coordination of benefits, and provider verification.
- Within the mid-adjudication, pre-payment cycle, claims are routed for clinical editing, applying clinical and policy edits using a tool like Optum's Claims Edit System (CES). Then claims are ready for additional processing based on point of integration.
- The resulting information is packaged and returned to the State's MMIS platform and ready to be processed for payment.

The State provided six months of data to support the CES team assessment on November 24, 2025. This data was validated and accepted by Optum for use in the assessment on December 5, 2025.

Optum has initiated the analysis and is on schedule to deliver the assessment by January 22, 2026. The Power BI dashboard and Excel spreadsheet described below were shared with the State of Minnesota on Thursday, 1/15/2026 for initial review and feedback, and have been updated to reflect feedback, as appropriate. The CES Assessment will be comprised of the following:

- a) A **Power BI dashboard** that was reviewed in draft with State SMEs on January 15, 2026 to garner feedback that will be incorporated into the assessment results.
- b) Detailed **Excel file** identified as the *Product Assessment Report - Claims Edit System - Professional and Facility Editing*. This document provides the results of the CES Assessment.
- c) **CES Assessment Report** that will provide a narrative presentation of the Excel data in the following format:
 - i. **Executive Summary**, including Preliminary Results and Expected Outcomes
 - ii. **Introduction**
 - iii. **Approach**
 1. Purpose of the Assessment
 2. Assessment Value Story
 3. Data Used
 - iv. **Assessment Preliminary Results/Report (Findings)**, which is tied to the Excel file discussed above
 - v. **CES Assessment Reporting Assumptions**
 - vi. **Next Steps**
 - vii. **Conclusion**

Phase 1 Summary Report: Achievements, Findings and Recommendations

6. Conclusion

Optum has provided FWA analytic findings and results working with the State for the hybrid pre-payment program integrity initiative within the aggressive timelines for Phase 1 of the PI initiative project since contract inception on October 24, 2025. We look forward to working with the State to provide the following for Phase 2:

- Ongoing suspect findings reports for pre-pay adjudicated claims within the warrant cycle.
- Ongoing bi-weekly high-risk Provider Findings Reports based on paid claim analytics.
- Provide evolving, ongoing support for the State to operationalize the hybrid pre-payment claims workflow.