

2026 Magellan Provider Compliance Forum

OCTOBER 23, 2026

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Today's Training will encompass two sessions:

9:00 AM – 10:15 AM → Somerset-Bedford Providers

10:30 AM – 12:00 PM → ALL PAHC Magellan Providers welcome



Introductions/ Housekeeping



Your Success Partners

Tina Davis, M.Ed., CFE

*Senior Compliance and Claims
Auditor*

Diane Devine, CFE

SIU Team Lead, Investigations

Holly McQuiggan

Senior Compliance Analyst

Patty Marth, CFE

SIU Team Lead, Audits

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*Senior Manager, SIU
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Karlee Young, LPC

Quality Clinical Reviewer

Karli Schilling, MA

Compliance Officer

Caitlin Vossberg, LSW

*Compliance and Claims
Auditor*



Housekeeping

- ✓ Magellan provides a focused Compliance Training for Providers annually
 - Prior trainings are posted on the [Magellan of PA Compliance website page](#)
- ✓ Today's training is being recorded
 - The Power Point and recording link will be sent to providers and will be posted on our website.
- ✓ All participants are muted. Please submit questions utilizing the Q&A feature in Teams.
- ✓ **Brief Survey Questions will be shared at the end of today's training - please stay on the line to give us feedback!**

Meeting Agenda- 1st Session (9:00 AM – 10:15 AM)

- » Collaborative Approach
- » Types of Oversight
- » Audit Process and Coordination
- » Quality of Documentation



Collaborative Approach

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PA HealthChoices Program Integrity

- Magellan (Managed Care Organizations)
- BHSSBC Somerset-Bedford Counties (Primary Contractors)
- Bureau of Program Integrity (BPI)
- Office of Attorney General (OAG) Medicaid Fraud Control Section
- Centers for Medicaid and Medicare Services (CMS)
- Providers



Coordination with Providers

- Collaboration
- Transparency
- Focus on Prevention
- Resource Sharing and Education
- Alignment with Medicaid Regulations



Goals of Provider Oversight

Why do we Audit?

- To ensure a consistent approach to treatment between providers, Magellan and our Primary Contractor partners
- Proactive Patient Safety activity
- To measure adherence to standards set by CMS, Pennsylvania DHS and Magellan's national and local teams





Audit Process, Types & Tools

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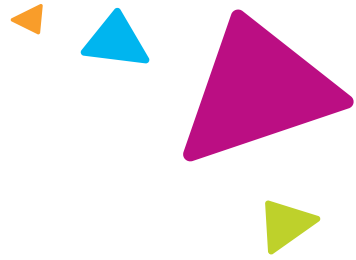


Audit Process



- ❖ Audits are one component of Magellan's oversight of its network providers.
- ❖ Audits include any combination of Magellan of Pennsylvania's Quality Improvement, Clinical, Compliance/ SIU and Network Departments as a means to proactively monitor the quality of clinical services, physical plant, hiring practices, staff training, policies and procedures, claims submission practices, and adherence to Medicaid regulations and Magellan policies.
- ❖ The auditing process is a collaborative one and includes you, the provider, various Magellan Departments and our County Partners.

Audit Overview & What to Expect



Notification

Initial scheduling to determine a mutually agreeable date.

Following selection of an audit date, Magellan's SIU will send confirmation letter, audit tools and document request to provider.

Member Selection and Documents Submission

All requested provider documents are due to Magellan one week prior to the audit.

Member names will be sent to provider 5-7 days prior to the audit.

Audit

Record Review and policy/procedure/compliance plan review will take place.

An exit interview will take place following the audit. The exit interview will include a high-level overview of the audit findings.

Audit Findings

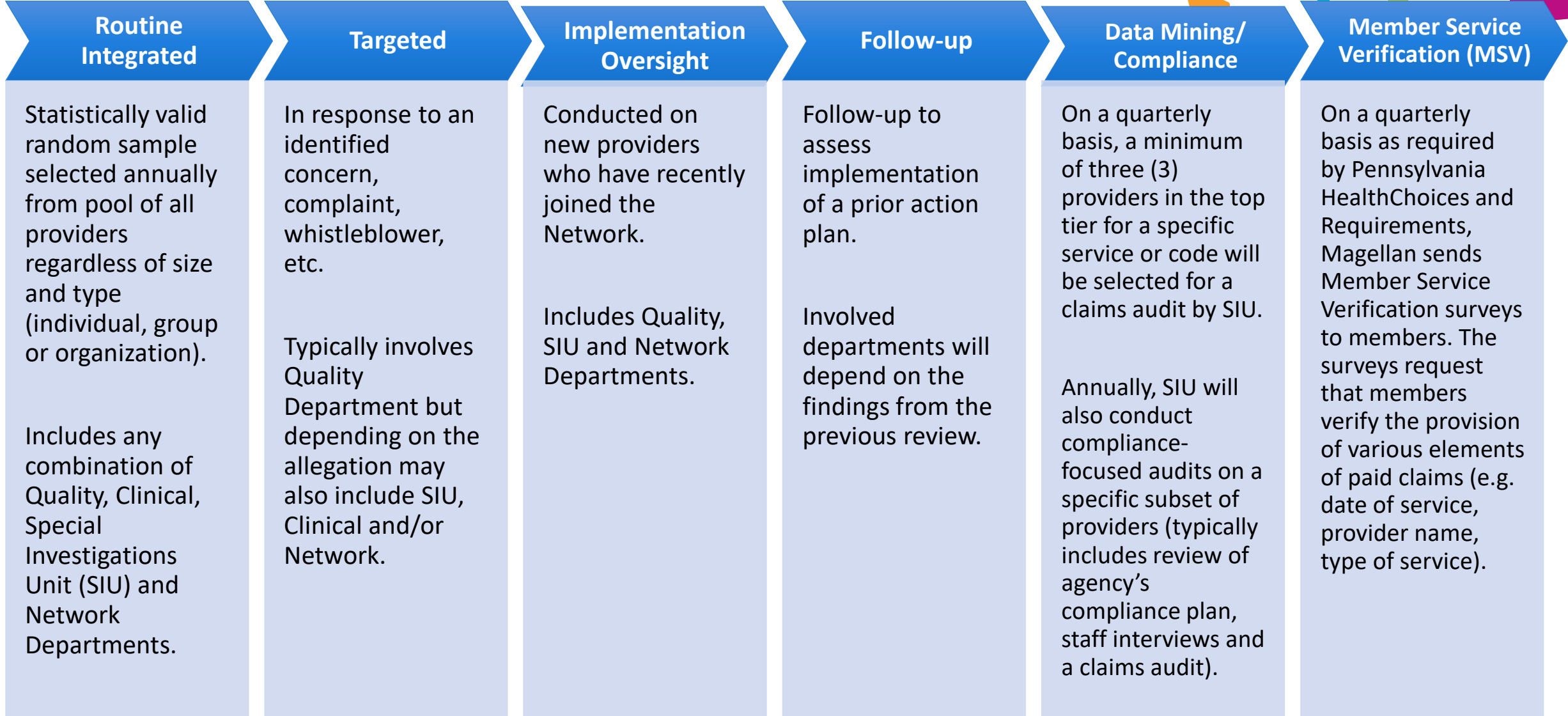
Overall Audit Findings & Initial Claims Findings Letter will be sent out within 30 days after the audit. The findings include strengths, internal provider action item & action plan items. Claims findings include details of any discrepancies.

Action Plan/ Reconsideration Period

Action plan response is due within 15 calendar days from issuance of the findings.

Reconsideration documentation for the claims findings are due within 10 business days of the letter.

Types of Audits



SIU Audit Focus



Billing practices

Documentation and adherence to PA Medicaid requirements

Comparison of paid claims to the clinical documentation as well as any Encounter Forms to ensure accuracy

Evidence of Provider internal claims audits

Compliance with state and federal regulatory compliance and fraud reporting requirements

Provider compliance program components, i.e., policies and procedures, trainings and mandatory reporting

Compliance culture

Staff qualification verification

Electronic Health Record (EHR) details (if applicable)



Audit Tools



CLINICAL
TOOL(S)



COMPLIANCE
PROGRAM TOOL



COMPLIANCE
INTERVIEW
QUESTIONNAIRE



ELECTRONIC
HEALTH RECORD
QUESTIONNAIRE

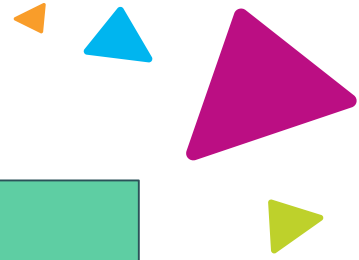


NETWORK TOOL



PROVIDER STAFF
VERIFICATION

Audit Trends



Claims Audit Trends

- Time Stamps
- Documentation Standards
- Telehealth Requirements

Compliance Program Audit Trends

- Internal Claims Audits
- Guidelines for documentation completion
- Complaints and Grievances
- Record Retention
- Telehealth





Quality of Documentation

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Documentation Best Practices



Best Practice Standards



Refer to PA Code:

<https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/055toc.html&d=reduce>



Magellan Provider Performance Standards: <https://www.magellanoftpa.com/for-providers/quality-improvement/provider-performance/>



Being aware of and utilizing these guidelines provides a strong foundation



Numerous elements are evaluated for best practice



Becoming familiar with these elements and how they connect to quality can help engage your clinical practice

Documentation Best Practices



Admission-Related Elements



Examples: Informed consent, appropriate releases, initial treatment plan, advance directives, initial assessments and screenings, allergies, clarity on presenting problem, begin a discussion about discharge, etc.

Understanding the Value

- Engage the person in their own treatment
- Understand natural supports and barriers
- Begin to build rapport and lower stigma
- Opening a dialogue
- Identify additional needs, supports and resources

Documentation Best Practices



On-Going Treatment Elements



Treatment planning, documentation of collaboration, communication and any consultation, all documentation being timely and updated accordingly and appropriately, barriers being addressed, safety continually assessed

Understanding the Value

- Builds treatment that continues to meet the person where they are
- Safety has a ripple effect
- Weapons safety is vital and can be underdiscussed

Documentation Best Practices



Discharge-Related Elements



Examples: Communication and planning, opportunities for warm-handoff and transition planning, appropriateness of discharge plan, follow-up scheduling, medication access

Understanding the Value

- Continuity of care
- Assisting in navigating autonomy
- Can impact likelihood of future engagement

Examples



- Very clear documentation as to the reason member is seeking services
- DSM criteria is present consistently
- Expansion of assessments where SUD or Mental Health issues are being assessed along with requested treatment
- Current and past suicide/danger risk is consistently being assessed and addressed
- Treatment Plans are created with the required time frames
- Treatment Planning is overall strength based
- Measurable goals are being documented and align with expectations
- PCP notification is present

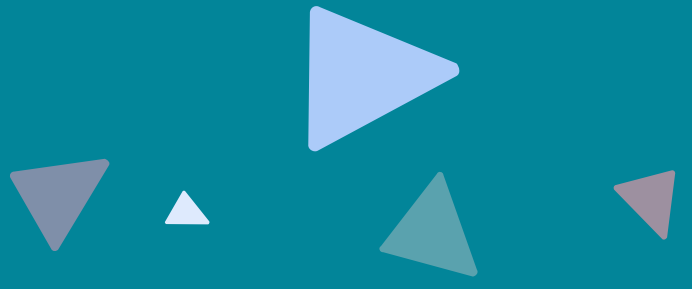
Key Takeaways/Review



- Remember that we are all working together with the common goal of protecting the financial integrity of the MA program
- Magellan looks at providers as collaborative partners
- Know and understand the regulations and other requirements for documentation
- Use Magellan E-mail Blasts, Compliance Trainings and other resources with identified risk areas to enhance internal auditing and monitoring
- Operate an Effective Compliance Program
- Recognize both the strengths and limitations of implementing an Electronic Health Record

QUESTIONS?



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15-MINUTE BREAK....

A cluster of five triangles in the bottom left corner: a medium white triangle pointing down, a large teal triangle pointing down, a medium brown triangle pointing down, a small purple triangle pointing down, and a small light blue triangle pointing down.

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Meeting Agenda- 2nd Session (10:30 AM – 12:00 PM)

- » Audit Trends and Outcomes
- » Regulation Discussion and Updates
- » SIU Presentation
- » Effective Compliance Programs
- » Artificial Intelligence
- » Confidentiality, Consent and Eligibility
- » Resources and Other Compliance Reminders

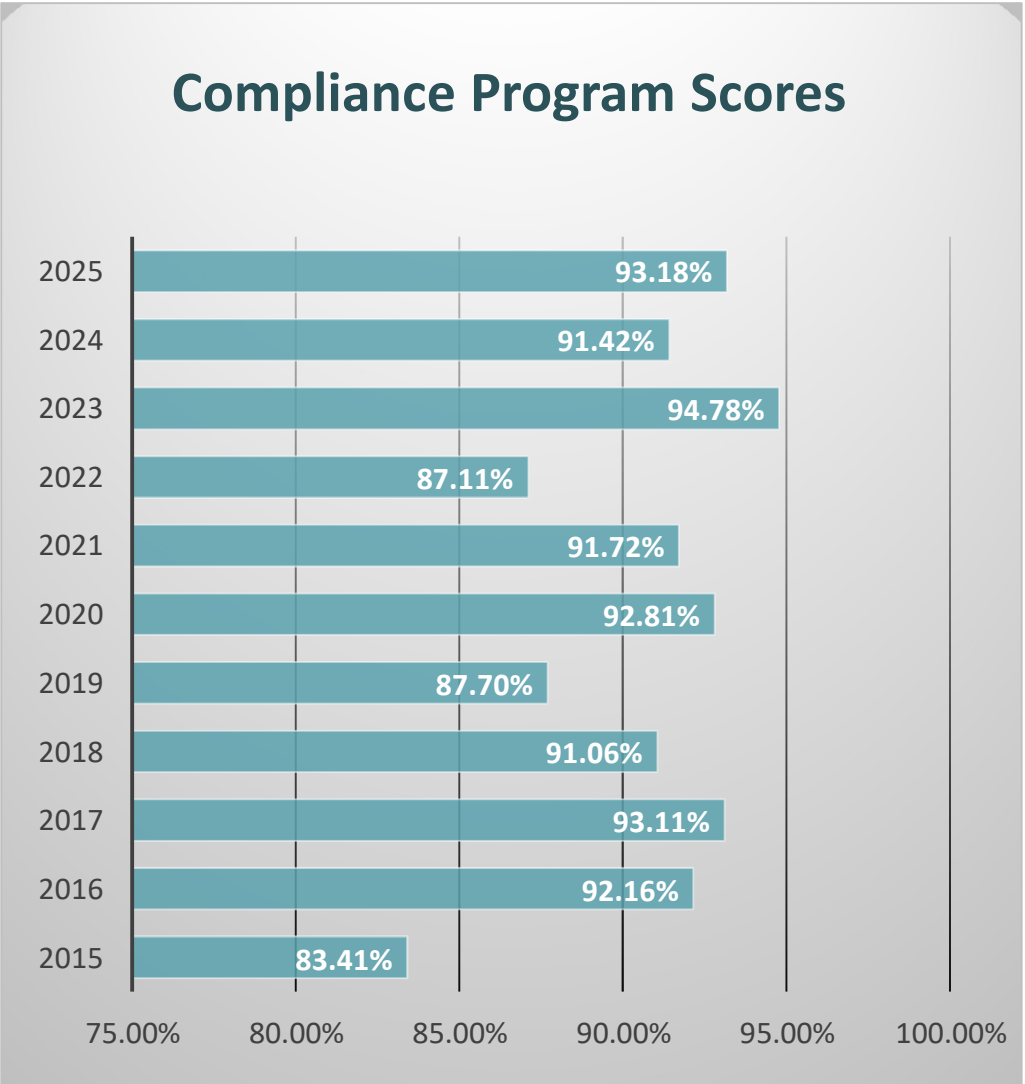


Audit Trends and Outcomes

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Year-to-Year Results from Audits



Overall Claims Audit Trends



- ✓ Missing documentation
- ✓ Non-compliance with the minimum documentation requirements (please reference Magellan's PAHC Provider Handbook Supplement). Specifically:
 - Including duration of session on progress notes instead of start and end time
 - Incorrect service date billed
 - Missing staff credentials
 - Limited documentation to support time period (1-2 sentences)
 - Portions of notes are copy & paste

Overall Claims Trends (Continued)

- ✓ Services billed/ claims submitted to Magellan prior to having all documentation in place (e.g., completed and signed encounter forms & progress notes)
- ✓ Missing encounter forms/service verification (telehealth & community-based services have slightly different expectations)
- ✓ Electronic Health Record (EHR) time stamp preceding documented end time of the session
- ✓ Rounding: billing the better part of a unit is an exception in only limited cases:
 - Targeted Case Management
 - Family-Based Services
 - Crisis Intervention Services
 - ACT



Overall Claims Trends (Continued)

✓ Treatment (Tx)/ Service/ Care Plan

Trends:

- Missing Tx/ Service/ Care Plan
- Tx/ Service/ Care Plan not updated timely in accordance with level of care specific regulations
- Services provided do not align with Tx/ Service/ Care Plan goals.
- Plan not signed by all required parties
- Duplication (reads similar) from plan to plan
- Goals not individualized/specific
- Goals are not measurable



Overall Claims Trends (Continued)



Trends

- ✓ Unbundling of units
- ✓ Duplicate billing (all inclusive services)
- ✓ Billing incorrect place of service (POS)
- ✓ Not adhering to contracted rate sheet regarding unit definition/ procedure code/modifier combination
- ✓ Charging members out-of-pocket costs for covered services
- ✓ Incident-to billing (billing under another practitioner)
- ✓ Group Services exceeding allowable size

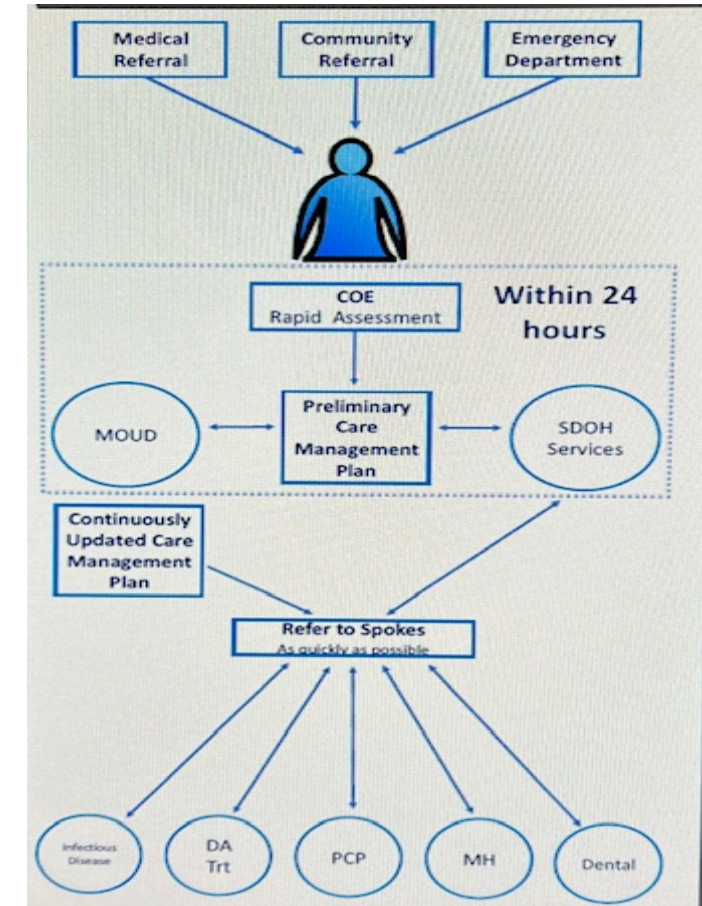
Telehealth Audit Trends

- ✓ Effective August 10, 2023, all providers must use a Health Insurance Portability and Accountability Act (HIPAA) compliant platform
- ✓ Missing encounter forms and consent for telehealth
- ✓ Missing rationale for audio only services – permitted only in 2 situations
- ✓ Billing the incorrect POS & modifier for audio-only telehealth
- ✓ Not meeting telehealth documentation standards
- ✓ Supporting documentation (e.g., encounter forms) must be obtained **prior** to billing
- ✓ Missing assessment for appropriateness for telehealth services
- ✓ Not meeting all signature requirements (encounter forms/ consent/ treatment plan)
- ✓ Distance Requirements: 60 minutes/45-miles
- ✓ Pennsylvania Residents Temporarily Out-of-State: services may be provided using telehealth to meet the behavioral healthcare needs of Pennsylvania residents who are temporarily out of the state as long as the delivery of services out-of-state is consistent with the authorization for services and treatment plan, the individual continues to meet eligibility for the Pennsylvania MA Program, and the **Pennsylvania provider agency or licensed practitioner has received authorization to practice in the state or territory where the individual will be temporarily located.**



Center of Excellence (COE) Program Audit Trends

- ✓ Billing without Opioid Use Diagnosis
- ✓ **Automatic** enrollment process
- ✓ Rapid care management plan/care management plan missing or not completed within the required timeframe
- ✓ Not individualizing duration and frequency of engagement to client's needs
- ✓ Lack of offering mobile engagement services
- ✓ Lack of discharge from care management when care plan is complete, no new needs are identified, and client can navigate community resources independently
- ✓ Lack of referral partner outreach
- ✓ Missing service encounter verification forms
- ✓ Not billing \$0.00 encounter codes correctly according to the unit definition
- ✓ Billing PMPM after encounter codes are submitted



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Regulations Discussion and Updates

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Regulation Changes

- Psychiatric Rehabilitation Services (PRS)
- Mental Health Procedures Act
- Crisis Services
- Psychiatric Residential Treatment Facility (PRTF)
- ASAM Alignment
- Open Letter to Governor



Psychiatric Rehabilitation Services (PRS)



- The Office of Mental Health and Substance Abuse Services (OMHSAS) promulgated updates to 55 PA Code § 5230 Psychiatric Rehabilitation Services (PRS) which were effective on January 18, 2025.
- The updated regulations are available in the [Pennsylvania Code](#). On March 12, 2025, OMHSAS also issued a [Frequently Asked Questions](#) (FAQ) document.
- The key changes to the regulations include:
 - Allow individuals who are 14 years of age or older but under 18 years of age who meet the admission requirements to access PRS. *Please also be advised that if providers are planning to expand their target population to serve adolescents under 18, they are required to submit an updated Service Description to Magellan and OMHSAS.*
 - The inclusion of individuals with posttraumatic stress disorder, bipolar disorder, major depressive disorder, and anxiety disorders without requiring an exception process.
 - Implementation of a weekly file note requirement to ensure comprehensive documentation of participant progress and engagement in PRS while reducing administrative burden.
- On August 14, 2026, OMHSAS issued their [PRS Regulatory Compliance Guide](#). The guide is a companion piece to 55 Pa. Code Chapter 5230; it is intended to be a helpful reference for these regulations. The explanatory material contained in the guide in no way supplants the plain meaning and intent of the regulations set forth in 55 Pa. Code Chapter 5230.

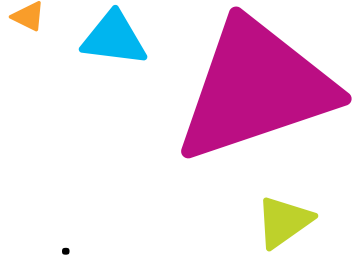
Psychiatric Rehabilitation Services (continued)



Magellan Documentation Expectations:

- Magellan strongly recommends and encourages providers to continue documenting daily notes which include specific times of attendance for each member. Daily progress notes help providers ensure accurate claims submission practices.
- If providers elect to complete weekly notes in accordance with the updated regulations, Magellan is requiring PRS providers to include on the weekly note, the member's daily attendance times including any breaks (this allows you, and us, to reconcile the daily units billed for each member). As a reminder, the OMHSAS FAQ clarified that a PRS agency must maintain daily attendance records which include attendance start and end times and activities/ sessions attended. Magellan is further requiring that this information be included in the weekly progress note.
- As outlined in the FAQ, whether using daily or weekly notes, the documentation must clearly identify the group sessions, individual sessions, and/or activities the individual participated in during each date of attendance.
- If using weekly notes, each PRS staff person who worked with an individual on any activity during the week must sign and date the weekly progress note.
- As a reminder and in accordance with MA Bulletin 99-89-05, signed encounter forms from the member are also required.

Currently Pending Regulation Changes- MH Procedures Act



- Mental Health Procedures Act

- The proposal was received by IRRC on **November 13, 2025**, and published in the **Pennsylvania Bulletin** on **December 6, 2025**.
- DHS submitted the **Final-Form Regulation** to IRRC on **September 14, 2026**.
- As of **October 2026**, the Pennsylvania **Draft Mental Health Procedures Act (MHPA) Regulations** are **not yet final**. The rulemaking is currently in the **final-form review stage** before the (DHS) amendments to **55 Pa. Code Chapter 5100 (Mental Health Procedures)** can take effect. An IRRC public meeting was scheduled for **October 15, 2026**.
- The rulemaking implements changes required by Act 32 of 2022, which amended the MHPA confidentiality provisions and directed DHS to promulgate regulations. The amendments:
 - Add definitions for "**covered entity**" and "**business associate**."
 - Align MHPA confidentiality provisions with **HIPAA** requirements.
 - Expand permissible disclosures of mental health records to covered entities and business associates under specified circumstances.
 - Update consent and release-of-information provisions.
 - Make technical corrections and modernize terminology.

Currently Pending Regulation Changes- Crisis

- Crisis Intervention Services

- Chapter 5240 Crisis Intervention Regulations were never promulgated
- New draft 5250 Crisis Intervention Regulations status remains "**Proposed.**"
- The proposed regulation was received by IRRC on **October 1, 2025**, and published for comments on **October 18, 2025**.
- The public comment period closed **November 17, 2025**.
- **5250 Crisis Licensing - Final Form"** is currently **under OMHSAS review**. The package is expected to move next to **DHS Executive Review**.
- The newly proposed Licensing regulations set requirements for physical sites, operations, staffing, supervision, quality management, and service delivery.
- A separate regulation package addressing **Crisis Payment** (Chapter 1350) is on a different track.



Currently Pending Regulation Changes- PRTF

- Psychiatric Residential Treatment Facility (PRTF)
 - Currently, Pennsylvania relies on a mix of federal requirements and state standards. The proposal establishes new, PRTF-specific requirements. It will create a more prescriptive regulatory framework than currently exists.
 - The proposed PRTF rulemaking would establish new licensing standards (**Chapter 5330**) and Medical Assistance participation and payment requirements (**Chapter 1330**) for PRTFs serving children, youth, and young adults under age 21.
 - The **Chapter 5330 PRTF Licensing** and **Chapter 1330 PRTF Payment** regulations are now in **final-form** status. The final-form package is currently **in the Governor's Office for review**.
 - OMHSAS reported it is **planning for an IRRC hearing in Fall 2026**.
 - Impact:
 - Expanded Staffing Requirements
 - More Intensive Treatment Planning and Clinical Oversight
 - Enhanced Incident Reporting Requirements
 - New Definition and Management of Elopement
 - Increased Patient Rights Protections
 - Stronger Family and Caregiver Engagement Expectations
 - New Medical Assistance Payment Conditions
 - Increased Documentation



ASAM Alignment



- On April 28, 2021, The Pennsylvania Department of Drug and Alcohol Programs (DDAP) issued a communication titled [ASAM Clarification and Flexibility](#). Effective July 1, 2021, contracted providers were expected to be compliant with specific provisions within The ASAM Criteria, 2013, related to Setting, Support Systems, Staffing, Therapies, Assessment/ Treatment Plan Review and Documentation.
- Please refer to the Department of Drug and Alcohol Programs (DDAP) [ASAM Resources page](#) for additional information including the DDAP FAQs.
- Magellan has continued to support providers throughout this Compliance Alignment. We have a dedicated page on our website for ASAM and other SUD resources: <https://www.magellanofpa.com/providers/community/substance-use-disorder-sud-resources/>
- Compliance e-mail blasts were sent to ensure contracted substance use disorder (SUD) providers are aware of the American Society of Addiction Medicine (ASAM) Compliance Alignment Requirements and Deadlines. The e-mail blasts have outlined a high-level summary of the existing DDAP Regulations compared to the ASAM expectations
 - [March, 2026](#)
 - [June, 2021](#)
- Magellan's SIU Auditors now participate in ASAM Alignment Reviews to conduct standard claims and compliance reviews.

Open Letter to Governor



In March, 2026, the US Committee on Energy and Commerce penned a [letter](#) to Governor Shapiro to request information related to Program Integrity and Fraud, Waste and Abuse in PA Medicaid Program. The assumption is that every state received a similar letter but this all began in the state of Minnesota.



Letter outlined that recent reports and law enforcement actions have exposed unprecedented levels of fraud in Medicaid social services and health programs for the elderly and disabled, children with autism, people struggling with SUD and homelessness.



The letter included PA specific statistics, case examples and spending details.



Two of the items of most concern were overprescribing and credentialing issues.



SIU Investigator Presentation: Inside the SIU

Investigating Fraud, Waste & Abuse in Pennsylvania HealthChoices Behavioral Health

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The Investigative Route: From Signal to Outcome

- Understand the SIU's role in behavioral health managed care.
- Recognize how tips, hotline reports, claims analytics, and other leads reach the SIU.
- Understand potential outcomes—including education, recoveries, and external referrals.
- Know what to do when you see a concern, and how AI may support future detection.

Core message

SIU work protects members, supports compliant providers, and helps ensure public program resources pay for appropriate, documented care.

Why SIU Work Matters in Behavioral Health

- Member protection: helps ensure billed services were delivered and were appropriate.
- Program integrity: identify and address potential fraud, waste, abuse, and improper payments.
- Provider fairness: evidence-based reviews distinguish mistakes and documentation gaps from intentional misconduct.
- Trust and access: reliable program resources support continuity of medically necessary care.
- Partnerships: Magellan's SIU partners with providers to identify, and prevent Fraud, Waste & Abuse.

Keep in mind

A claim pattern can be unusual without being fraudulent. The job is to test the facts fairly.



Fraud, waste, abuse, and errors are not interchangeable

- Potential fraud: a possible **intentional** deception or misrepresentation to obtain an improper payment or benefit.
- Potential abuse: practices inconsistent with sound fiscal, business, or medical practices that may cause unnecessary cost or payment.
- Waste: inefficient or unnecessary use of resources; intent to deceive is not required.
- Error / noncompliance: inaccurate billing, incomplete records, or a process failure that may require correction and can result in the identification of overpayments.
- Classification depends on evidence, applicable rules, and prior education—not on a single red flag.

Investigative principle

A red flag is a reason to ask a question—not proof of wrongdoing.



How a Concern Reaches the SIU

- Hotline or web report: a member, family member, employee, provider, or other source raises a concern.
- Internal referral: claims, utilization management, quality, member services, credentialing, or compliance identifies a concern.
- Data analytics: an outlier or pattern prompts a focused review.
- External referral: an oversight agency, law enforcement agency, or other authorized partner shares information.
- Self-disclosure or audit: a provider identifies a potential overpayment or a review identifies discrepancies.

If you see something say something !!

A claims processor reports that she received claims for outpatient psychotherapy for a member that is only four months old....resulting in an investigation and recovery of Medicaid funds.

Data Analytics: How Red Flags Emerge

- Outlier analysis: billing volume, units, service mix, or growth rates compared with appropriate peers.
- Time logic: overlapping services, implausible travel or scheduling that indicate an improbable day, or duplicate dates and units.
- Documentation / authorization checks: claim lines compared with authorizations.
- Network and relationship analysis: shared addresses, ownership, staff, contact details, or unusual referral patterns.
- Member verification and corroboration: determine whether billed services were received through member outreach.

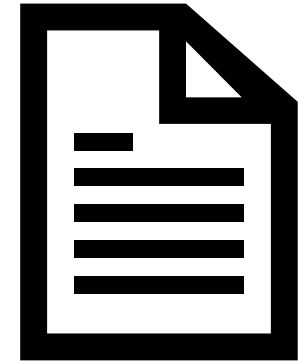
A signal becomes a lead

A flag becomes a finding only after relevant evidence is reviewed and corroborated.



The Findings

- Services that were billed but not rendered, or substantively different from what was documented.
- Duplicate billing, incorrect units or duration, overlapping services, or billing inconsistent with attendance records.
- Records that are missing, copy and pasted, internally inconsistent, or created after the fact without a clear explanation.
- Billing by staff whose qualifications and or supervision, do not meet applicable requirements.
- Services or levels of care that may not align with authorization, medical necessity, or the applicable service definition.



Tools and Techniques Investigators May Use

- Claims / encounter data, authorization history, provider enrollment and credentialing records.
- Clinical records, progress notes, treatment plans, attendance logs, schedules, staff time records, and relevant communications.
- Interviews and member service verification
- Public-source research and entity / relationships
- Document version history, authenticity of signatures.

Evidence Standard

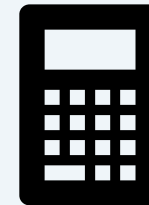
Investigations rely on primary source verification and auditable document trails.



Case Study: “The claims that didn’t add up”

- Signal: A behavioral health provider of IBHS services in a school setting shows a sharp rise in billed units and repeated time overlaps in a subset of claims.
- Second lead: signatures of the teacher on encounter forms are inconsistent in appearance.
- Checks: Review encounter documentation, treatment plans, staff qualifications, and conduct service verification with the teacher in the place of service.
- Result: Services that were not verified were identified for payment recovery and the individual rendering the services was reported to Medicaid Fraud Control Unit and the Bureau of Program Integrity for potential fraud.

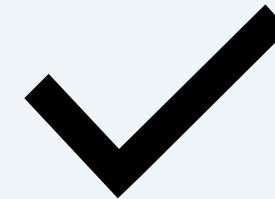
The SIU always conducts due diligence before deciding whether the discrepancy is an error, a documentation issue, or potential intentional misconduct.



Possible Outcomes: Not Every Case Ends the Same Way

- No further action: available evidence does not substantiate the concern or allegation, or the issue is outside SIU scope.
- Education / corrective action: clarify requirements, improve controls, or address a process weakness.
- Overpayment identification and recovery: quantify and pursue recovery of an overpayment in accordance with contract and program rules.
- Administrative action or referral: escalate to authorized plan, state, or law-enforcement decision-makers where warranted.
- Follow-up: monitoring with a corrective action plan, identifying for a subsequent future audit or recommendation for prepayment review.

Case Closed



Artificial Intelligence in SIU: Another Tool in the Toolbox

- Pattern detection: surface unusual billing behavior or combinations of indicators that traditional rules may miss.
- Relationship mapping: identify potential links among entities, locations, staff, and billing patterns.
- Document assistance: search large record sets, extract dates / service details, and draft timelines for investigator validation.
- Prioritization: rank leads for human review using explainable, tested criteria.
- Continuous learning: use confirmed case outcomes and expert feedback to evaluate whether models are useful and accurate.

AI should assist—not decide

A model can prioritize review. It cannot replace evidence, policy interpretation, or human judgment.



Three Takeaways

1. Recognize the signal: tips, claims patterns, and documentation concerns can all initiate a review.
2. Respect the process: evidence, context, provider response, and applicable rules determine the outcome.
3. Partner early: report concerns, preserve records, correct problems, and help prevent member harm.

**Thank you for
responding promptly to
requests for
documentation from
our SIU!**

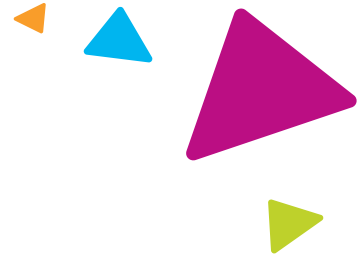


Effective Compliance Programs

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Compliance Culture



- ❑ **Creating a culture of compliance within your agency is CRITICAL to success.**
- ❑ The most effective organizations create an environment where employees understand that compliance supports quality care, protects members and patients, and strengthens the organization's mission.
- ❑ **Compliance is not owned solely by the Compliance Department.**
- ❑ Compliance is more than just billing: training and culture helps make your team aware of all the components.
- ❑ Compliance is about process improvement, NOT punishment for doing something wrong (staff should be feel comfortable raising concerns).
- ❑ Ask the questions:
 - What do we do well?
 - What don't we do well?



Compliance Culture

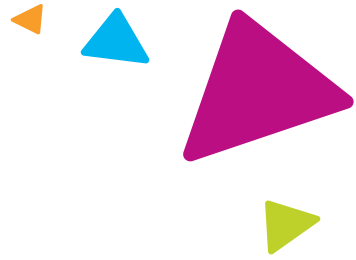
- ❑ Know where to find/ get the information even if you don't have all the actual regulations or requirements memorized.
- ❑ A successful compliance culture is strongly influenced by how much staff trust management.
- ❑ Compliance has overlap with a lot of departments. Some problems may be solely compliance related, but most issues overlap with HR, finance, clinical, quality, etc.
- ❑ Having a designated compliance officer (who has no other functions) helps create a culture of compliance.
 - Many agencies combine the job functions of Compliance and Quality

Increased compliance = increased quality

Increased quality = provider of choice



Effective Compliance Programs



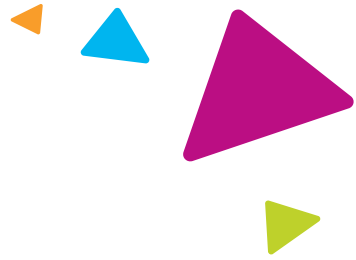
1. Written policies and procedures
2. Designate a compliance officer and committee
3. Develop an effective compliance training, education and awareness program
4. Establish open lines of communication
5. Establish and maintain a process for routinely evaluating and identifying potential and actual non-compliance
6. Establish and maintain a system for responding to compliance issues
7. Establish and maintain disciplinary policies
8. Assessing effectiveness and developing a timeline for compliance program activities

Prevention

Detection

Corrective Action

Compliance Training



- ✓ Compliance training: at a minimum, training for staff should take place:
 - At hire
 - Annually thereafter
- ✓ Best practices would include ongoing training: team meetings; “e-mail blasts”; supervision
- ✓ **ALL** staff should receive some level of compliance training:
 - Board of directors - compliance starts at the top. This helps create a “culture of compliance.”
 - Contractors
 - Billing and medical records personnel
- ✓ Always tailor the training to the audience
- ✓ Use humor
- ✓ Training should be educational-based. Use facts. Share recent news stories.
- ✓ Incorporating a real-life story that happened can be effective
- ✓ Incorporate a quiz or attestation with the trainings

Communication/ Reporting Mechanisms



- Anyone can report suspected fraud, waste, or abuse
- Use the chain of command- staff should be encouraged to go to their Supervisors first
- A separate hotline should be made available for families and members to report potential non-compliance
- Families should be trained during intake regarding the hotline
- If you've never received an inquiry or call on your hotline, that's a problem
- Magellan Mechanisms for reporting:
 - SIU Hotline: 1-800-755-0850
 - SIU Mailbox: SIU@MagellanHealth.com
 - Compliance Hotline: 1-800-915-2108
 - Compliance Mailbox: Compliance@MagellanHealth.com

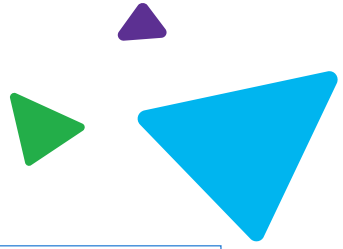


Self-Auditing/ Self-Monitoring



- ❖ Self-auditing is a good tool to measure internal compliance and ensures compliance with MA regulations.
- ❖ Self-auditing is an integral part of a strong Compliance Plan.
- ❖ The CMS Comprehensive Program Integrity Review of Pennsylvania identified “Expanded Use of Provider Self-Audits” as one of four *Effective Practices*. There are two types of self-audits:
 - Provider-initiated self-audits
 - Targeted provider self-audits
- ❖ Due to lack of uniformity of provider audits submitted for purposes of self-disclosure, DHS established a protocol for self-audits in 2001.
- ❖ The DHS “Pennsylvania Medical Assistance Provider Self-Audit Protocol” is posted on their website:
<https://www.pa.gov/agencies/dhs/report-fraud/medicaid-provider-self-audit-protocol>
- ❖ Provider options for self-audits include:
 - 100 Percent Claims Review
 - Provider-Developed Review Work Plan

Self Reports

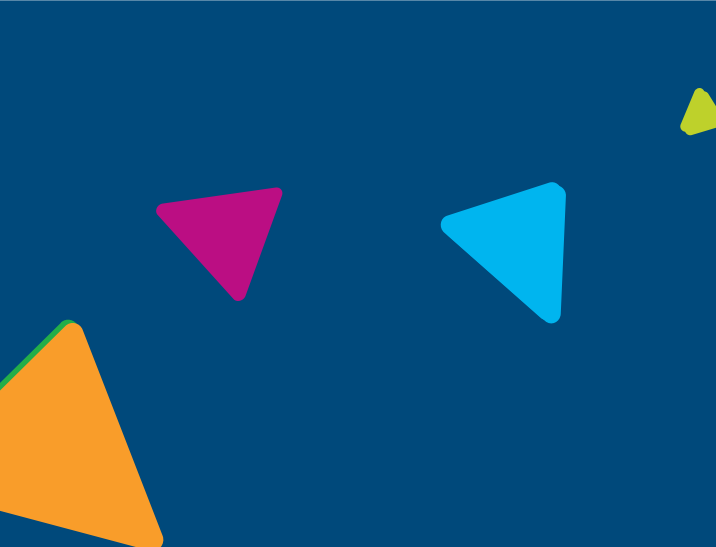


Submit materials to: PAHCSelfreport@magellanhealth.com

Please Include:

- Provider self-disclosure spreadsheet (as an excel attachment)
- Investigation summary – Be sure to include (at a minimum):
 - ✓ How the issue was initially identified
 - ✓ Type of audit (100% review, provider-developed audit plan, statistically valid random sample)
 - ✓ Who investigated the incident
 - ✓ Parameters used in determining the audit sample
 - ✓ The time frame audited
 - ✓ Services audited
 - ✓ Verification methods used
 - ✓ The results of the audit and investigation (if applicable)
 - ✓ Actions taken to prevent reoccurrence (i.e. staff education, corrective action plan, termination, etc). If there is a termination, please include the date of termination.



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Artificial Intelligence

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Artificial Intelligence (AI)



- Artificial Intelligence refers to any machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations or decisions in an automated way influencing real or virtual environments.
- Artificial Intelligence (AI) including Generative Artificial Intelligence (GenAI), is a technology that companies are increasingly using to gain or maintain competitive advantage.
- While the use of AI by providers in behavioral healthcare (BH) has the potential to increase efficiency and support clinical workflows, it comes with potential risks, including data protection, copyright/intellectual property issues, bias, ethical considerations, consent, risks to member safety, lack of human connection, environmental impacts, and compliance with wider legal risk and obligations.
- Support for the use of AI by BH providers is evolving and currently, there are limited guidelines and best practices available. Technology is advancing faster than regulatory frameworks for safety and efficacy.

AI Governance

Key Compliance Questions

Before deploying any AI tool, leadership should be able to answer:

1. Does the system access PHI?
2. Is a BAA required?
3. Has security reviewed the tool?
4. Has bias testing been performed?
5. Who is accountable for decisions influenced by AI?
6. How will outcomes be monitored?
7. How are staff trained?
8. How will incidents and errors be reported?
9. Does AI use create potential discrimination risks under Section 1557?
10. Is there executive and compliance oversight?



Artificial Intelligence (continued)



All contracted providers and provider organizations who choose to use AI tools should adopt and maintain policies and procedures which include:

1. Transparency and Disclosure

- Providers must clearly disclose to members how AI is being used and the associated risks

2. Human Oversight and Accountability

- AI tools may assist with drafting documentation, but final clinical notes must be reviewed, validated, and signed by a licensed provider. AI does not replace professional judgment or clinical responsibility.

3. Privacy and Data Security

- AI tools used for documentation must comply with HIPAA and all applicable federal and state privacy laws.

4. Accuracy and Clinical Integrity

- AI-generated notes must not include fabricated information. Providers must ensure that all documentation—AI-generated or not—accurately reflects the individual's clinical condition, services provided, and the provider's assessment.
- Assess Bias and Discrimination

Artificial Intelligence (continued)



All contracted providers and provider organizations who choose to use AI tools should adopt and maintain policies and procedures which include:

5. Documentation Standards

- All medical documentation must continue to meet the standards set by Magellan, OMHSAS, and applicable accrediting organizations.
- Notes must be individualized to the patient, clinically relevant, and support medical necessity for services rendered.

6. Training and Competency

- Organizations using AI for documentation must ensure that staff are trained in the appropriate use of such tools, including how to detect and mitigate errors

7. Auditing and Compliance

- As with all documentation, Magellan reserves the right to audit documentation that includes AI-generated content.
- Improper use of AI resulting in inaccurate or non-compliant documentation may result in corrective actions, recoupment, or referral to regulatory agencies.

AI Note Takers



- Magellan recently became aware of an increasing trend of providers and other external parties utilizing Artificial Intelligence (AI) note takers during meetings in which member Protected Health Information is being discussed.
- **Please be advised that Magellan cannot participate in meetings where an external entity is exposing member PHI to an AI platform that has not been vetted by Magellan. If Magellan staff join an external meeting in which this software is being utilized, we are required to terminate our participation unless/ until the software is disabled.**

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Confidentiality, Consent and Eligibility

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Authorization to Use and Disclose PHI Form



- On February 8, 2024, the U.S. Department of Health & Human Services (HHS) announced a final rule modifying the Confidentiality of Substance Use Disorder (SUD) Patient Records regulations at 42 CFR part 2 (“Part 2”).
- Effective 7/1/25, Magellan updated its Authorization to Use & Disclose Protected Health Information Form (Release Form). A Compliance [E-mail Blast](#) was sent to all providers.
- The new regulations allow a single consent for all future uses and disclosures of substance use disorder (SUD) information for treatment, payment, and health care operations. It also allows Health Insurance Portability and Accountability Act (HIPAA) covered entities and business associates that receive SUD records under this consent to redisclose the records in accordance with the HIPAA regulations.
- **Providers must discard all previous versions of Magellan’s Authorization to Use and Disclose (AUD)/ Release Forms.** In compliance with the 42 CFR Part 2 Final Rule, we can no longer share SUD information if providers/ members utilize an old version.
- Forms/ Submission Options:
 - Online version: <https://www.magellanofpa.com/consent-to-release-phi-online/>
 - Fillable form: https://www.magellanofpa.com/documents/2022/07/070122_pahcaudform.pdf/
 - Online submission is preferred. Signed and completed AUD/ Release Forms may also be faxed to Magellan at 1-866-667-7744; or sent via e-mail to PAHC_AUD@MagellanHealth.com.

AUD Processing Change



Effective April 6, 2026, Magellan made a minor change in how we process consent/ AUD forms that are submitted requesting that we share PHI with a third party. Magellan shifted the review process to an internal, centralized AUD processing team. As a result of the change, there were a few ways this may have impacted providers and/or the members being served:

- The processing time for review of all consent/ AUD forms that are received is 2-3 business days. Please plan accordingly if there will be a specific and immediate need for Magellan to share PHI in accordance with a consent/ AUD form.
- If a consent/ AUD form that is submitted to Magellan is found to be invalid for any reason, this is communicated as follows:
 - If the consent/ AUD form is submitted on our website utilizing the electronic form, a deficiency letter will be mailed to the member. The deficiency letter will outline why the form is invalid and include instructions for re-submission.
 - If the consent/ AUD form is submitted via fax, mail or e-mail by a provider or other third party and it's clear who submitted the form, Magellan will send the deficiency letter to the attention of the submitter. If utilizing one of these mechanisms to submit a consent/ AUD form, please clearly indicate the contact information for the individual who can assist the member/ personal representative with re-submission.
 - Magellan also documents the validity of all consent/ AUD forms in our clinical platform and therefore, a member or provider can contact us at any time to review the status of the approval or reason(s) for refusal.

AUD Processing Change (continued)



- Here are a few additional reminders/ announcements related to consent/ AUD forms:
 - When assisting a member/ personal representative with completing an AUD, please obtain and enter the member’s Pennsylvania (PA) Medical Assistance ID number in Section 1 on the consent/ AUD form whenever possible. This ensures accurate processing and reduces invalid forms. A member’s Medical Assistance ID can be located on their Access Card, by using PA’s Eligibility Verification System (EVS) or by contacting Magellan (you must be able to verify the member’s name and date of birth).
 - If submitting via e-mail, providers should not submit multiple consent/ AUDs for different members in the same file. Please separate and send as unique attachments.
 - In most cases, members aged 14 and older control the release of their records (except IP SUD) and thus MUST sign the AUD.
 - For members under 14 or for Magellan to disclose SUD Inpatient information, the legal guardian must sign the AUD. If someone other than the biological parent has legal custody of the child, proof of custody MUST be provided.
 - The form MUST be completed in full. Do not leave any sections blank.
 - The responses to each section must align to the question (i.e., Section 3 must be a valid reason):

3	REASON YOU WANT US TO SHARE YOUR PHI
REQUIRED	Tell us why you want us to share your PHI. We need to know the reason. Examples might be “to help find a facility or provider for a referral for services”, “to allow someone (family member, friend, etc.) to help me with my care”, “Coordination of Care”, “for help with my Complaint or Grievance”, etc.
	Note for substance use disorder information: saying “For treatment, payment, and health care operations” is fine when you are giving us an OK one time for all such future uses or disclosures of that kind.

Consent to Treatment

- Age of Consent varies in Pennsylvania based on service type:
 - Emergency Psychiatric Treatment: 14+
 - Mental Health Outpatient: 14+
 - Mental Health Inpatient: 14+
 - Substance Use Disorder Inpatient: 18+
 - Substance Use Disorder Outpatient: Any Age



- Control of Records:
 - For mental health, the age at which a minor can consent to treatment is the age at which the minor controls the disclosure of information pertaining to that treatment.
 - For substance use OP, records relating to drug or alcohol may be disclosed when the patient consents to the treatment and disclosure. A minor patient who does not consent to medical treatment or counseling may consent to the disclosure of records.

HR-1 / PA DHS Medicaid Work Requirement Changes (Effective 1/1/2027)

What Providers Need to Know

- Beginning January 1, 2027, certain Pennsylvania Medical Assistance (Medicaid) members ages 19-64 will be required to demonstrate that they are meeting federal **work and community engagement requirements** or qualify for an exemption in order to obtain or maintain Medicaid coverage.
- Affected members may need to verify participation in qualifying activities such as employment, education, job training, volunteer service, or other approved community engagement activities.
- Failure to report required information or document an exemption may result in **loss of Medicaid eligibility and coverage interruptions**.
- More information can be found online at [HR1 Information](#). This webpage is guided by the information shared by The Pennsylvania (PA) Department of Human Services (DHS).

Why this Matters for BH Providers: HR-1 Provider Readiness & Member Support



Recommended Provider Actions

- Remind members to keep their mailing address, phone number, and email address current with the Pennsylvania Department of Human Services (DHS).
- Encourage members to read and respond promptly to communications received from DHS.
- Assist members in understanding the importance of completing Medicaid renewals when requested.
- Enroll in the COMPASS Community Partners program.
- Support members in identifying whether they may qualify for an exemption from community engagement requirements.
- Support members in identifying work/volunteer opportunities within your organization or within the community.
- Incorporate Medicaid eligibility discussions into care planning, case management, and discharge planning workflows.
- Pay particular attention to members experiencing serious mental illness, substance use disorders, housing instability, or other circumstances that may create barriers to compliance with eligibility requirements.



Resources

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Compliance & FWA Resources

- ✓ **FWA Compliance Page**: includes FWA Resources, Compliance Best Practices, Audit Tools, Trainings/ Education, and How to Prepare for an Audit. [Fraud, Waste and Abuse/Compliance | Magellan of PA](#)
- ✓ **Compliance E-mail Blasts**: issued monthly via e-mail and also posted under “Compliance Alerts” section on the Provider Page of Magellan’s website. Address important regulatory and PAHC guidelines including recent audit trends and policy changes. [Providers Page | Magellan of PA](#)
- ✓ **Provider Trainings**: ongoing training materials are available for both new and existing providers. All new PAHC providers are required to complete the “PA HealthChoices New Providing Training” prior to contract execution. Providers will be sent a link to this pre-recorded webinar when they receive their contract; ALL provider staff must complete the training.
- ✓ **Provider Performance Standards**: [Provider Performance | Magellan of PA](#)



Magellan Behavioral Health of Pennsylvania, Inc.*

Provider Handbook Supplement for HealthChoices Program Providers for Bedford, Bucks, Cambria, Lehigh, Montgomery, Northampton, and Somerset Counties

FWA/Compliance Resources

- ✓ **Magellan Provider Handbook Supplement**: important requirements and guidelines for all providers: [PAHC Handbook Supplement](#)
- ✓ **Magellan National Provider Handbook**: [Handbook for the National Provider Network](#)
- ✓ **Provider Focus**: Magellan's online newsletter for our network providers: [Provider Focus](#)
- ✓ **Member Newsletter**: Magellan's [Member Newsletter](#) is a helpful resource for members. You will find educational content, county-specific contact information, special announcements, and more in each edition. We encourage you to share these newsletters with friends and family members. A new issue of our newsletter is released each quarter.
- ✓ **Member Handbook**: member handbook includes details about what's included in your benefits and how we can help you [Members Page | Magellan of PA](#)

Magellan Compliance/ SIU Contacts

PAHC SIU Claims and Compliance Auditors:

- **Patty Marth, CFE**
610-814-8009
PMarth@magellanhealth.com
- **Caitlin Vossberg, LSW**
267-895-5678
VossbergC@magellanhealth.com
- **Tina Davis, M.Ed., CFE**
814-961-0689
TMDavis1@magellanhealth.com

PAHC SIU Investigator:

- **Diane Devine, CFE**
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DDevine@magellanhealth.com

SIU Manager:

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TMPennington1@magellanhealth.com

PAHC Compliance Officer:

- **Karli Schilling, MA**
215-504-3967
KMSchilling@magellanhealth.com

PAHC Senior Compliance Analyst:

- **Holly McQuiggan**
215-504-3952
HLMcquiggan@magellanhealth.com

Next Steps



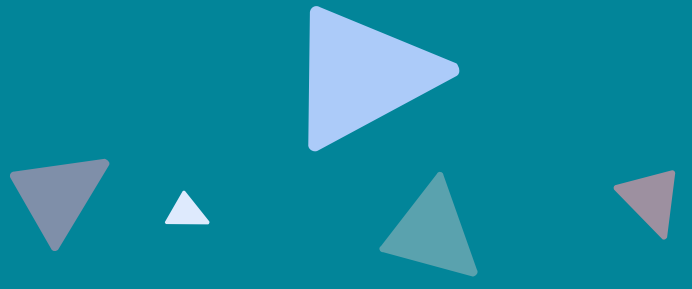
Participants should remain on the webinar for a few minutes to provide instant feedback and input for future training opportunities. **See Q&A for link.**



In the near future Magellan will send a copy of the Power Point Presentation, Recording and Q&A to all participants.



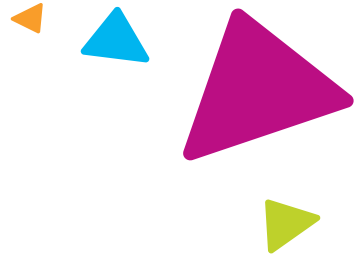
Providers should submit any additional questions to Magellan utilizing the contact information on the prior slide.

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THANK YOU!

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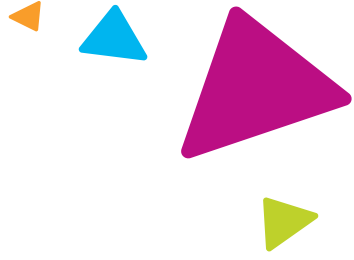
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