

AASD and DSD eList announcement

Date: Nov. 10, 2025

To: Lead agency supervisors, managers, case managers and other interested parties

From: DHS Aging and Adult Services and Disability Services divisions

Purpose: To provide information about the governor's executive order on program integrity and combatting fraud

Effective: Immediately

Contact: For questions about disability waivers, use the [DSD Contact Form](#). For questions about Alternative Care (AC), Essential Community Supports (ECS) and Elderly Waiver (EW), email dhs.aasd.hcbs@state.mn.us.

DHS program integrity and fraud response

DHS and other state agencies are implementing new direction and authorities to combat fraud in response to [a recent executive order issued by Governor Walz \(PDF\)](#).

The governor's order, combined with DHS actions, has changed how we do business as a Medicaid agency. DHS is acting to:

- Tighten accountability and emphasize program integrity.
- Strengthen DHS controls for providers and grantee payments.
- Disenroll inactive providers that have not submitted claims in the past 12 months.
- Place temporary payment withholds for providers suspected of fraud.
- Conduct prepayment reviews for 14 services (refer to the [Oct. 29, 2025, press release](#) from Governor Walz).

Our goal is to support partners, providers and the people we serve while prioritizing strong program integrity. This way, we safeguard public funds and ensure people get the services they need.

Prepayment review

DHS has contracted with Optum, a third-party vendor, to conduct prepayment reviews of the following 14 high-risk Medicaid services:

- Adult companion services.
- Adult day services.
- Adult rehabilitative mental health services.
- Assertive community treatment.
- Community First Services and Supports (CFSS)/personal care assistance (PCA).
- Early Intensive Developmental and Behavioral Intervention (EIDBI) services.
- Housing Stabilization Services.
- Individualized home supports.
- Integrated community supports.
- Intensive residential treatment services.
- Night supervision services.
- Nonemergency medical transportation services.
- Peer recovery services.
- Recuperative care services.

Prepayment review process

DHS and Optum are working to ensure we promptly and efficiently review claims while maintaining rigorous quality and compliance standards.

The prepayment review adds an extra step between when a provider submits a claim and when DHS makes a payment. This step is essential to fraud prevention and program integrity protection. It may result in additional processing time. During implementation, payment delays may occur.

DHS' goal is to balance safeguarding Medicaid funds and ensuring providers receive timely payments. The prepayment review process will become a permanent component of DHS' fee-for-service waiver service claims operations.

Lead agency partnership

We value the important role that lead agencies have in supporting providers in their communities. While you may not oversee the identified services, your local provider relationships are essential.

More information

DHS recognizes that any new requirement means changes for partners, providers and the people we serve. We are mindful of the impact of these changes and are committed to providing support and technical assistance. We will inform and support you to address questions or concerns. For more information about the new prepayment review process:

- Refer to [DHS – Frequently asked questions: Pre-payment review process for Minnesota Health Care Programs \(MHCP\) fee-for-service claims](#).
- Contact the [MHCP Provider Resource Center](#).

Fraud reporting

DHS Program Integrity Oversight (PIO) and the Medicaid Fraud Control Unit in the Office of the Minnesota Attorney General are responsible to investigate complaints related to provider billing.

How to report fraud

If you suspect fraud or abuse by someone receiving benefits or health care providers working with MHCP, you can use any of the following options to report it to DHS:

- Submit the [PIO hotline form](#) (recommended). For more information, refer to [DHS – How to submit tips](#).
- Call the PIO hotline at 651-431-2650 (toll-free at 1-800-657-3750).
- Email OIG.Investigations.DHS@state.mn.us.

Previous eList announcements

[AASD LEAD AGENCY ARCHIVE](#) | [DSD LEAD AGENCY ARCHIVE](#) | [DSD STAKEHOLDER ARCHIVE](#)