

**NEW YORK**  
*state department of*  
**HEALTH**

Howard A. Zucker, M.D., J.D.  
Acting Commissioner of Health

Sue Kelly  
Executive Deputy Commissioner

June 10, 2014

Mr. Brian Mason  
Acting Assistant Comptroller  
NYS Office of the State Comptroller  
110 State Street, 10th Floor  
Albany, New York 12236

Dear Mr. Mason:

Pursuant to the provisions of Section 170 of New York State Executive Law, I hereby transmit to you a copy of the New York State Department of Health's comments related to the Office of the State Comptroller's final audit report 2012-S-162 entitled, "Oversight of Localities' Efforts to Coordinate Veterans' Health Care Benefits Under Medicaid and the U.S. Department of Veterans Affairs."

Please feel free to contact James Clancy, Assistant Commissioner, Office of Governmental and External Affairs at (518) 474-2011 with any questions.

Sincerely,

*Howard Zucker M.D.*

Howard A. Zucker, M.D., J.D.  
Acting Commissioner of Health

Enclosure

**Department of Health  
Comments on the  
Office of the State Comptroller's  
Final Report 2012-S-162 Entitled  
Oversight of Localities' Efforts to Coordinate  
Veterans' Health Care Benefits Under Medicaid  
and the U.S. Department of Veterans Affairs**

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The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Final Audit Report 2012-S-162 entitled, "Oversight of Localities' Efforts to Coordinate Veterans' Health Care Benefits Under Medicaid and the U.S. Department of Veterans Affairs."

**General Comments:**

The final audit includes a statement that the Department "... has acknowledged that significant cost savings could be realized by assisting veterans and coordinating their health care benefits through the U.S. Department of Veterans Affairs (VA)." This quote was from a letter to the county commissioners in October 2002, more than 11 years ago when a majority of the payments made for health care services were made on a fee-for-service basis. Today, health care services are predominantly provided through managed care providers who receive a payment that covers all health care services included in the benefit package. Veterans have a choice of where they receive their benefits if they are dually enrolled in the VA benefit program and Medicaid. The State will not realize a savings if a dual eligible veteran receives a covered service through a VA provider since the State is already paying a bundled payment for all covered services. The health care costs paid for veterans currently represent approximately one to two percent of total Medicaid spending and the "significance" of these savings has diminished over time as the Department is enrolling most eligible individuals in managed care plans. The savings realized by the other states noted in the report were mainly from services provided in the long term care setting. Non-long term care savings in New York may come from services excluded from the managed care benefit package and only if the enrollee seeks the care from a VA facility/provider rather than a Medicaid provider, which is the veteran's choice as stated in the audit. The Department does concur, however, that all avenues to save Medicaid dollars should be pursued.

**Recommendation #1:**

Reinforce policies and procedures regarding local districts' responsibilities, including identifying veterans, advising veterans of federal health care benefits, referring veterans and keeping records of referrals to the State DVA/local VSA, and ensuring veterans file for federal benefits.

**Recommendation #2:**

Identify local district best practices and share among all counties.

**Recommendation #3:**

Actively monitor the performance of local districts to ensure they comply with the Law and Department's policies and procedures regarding the coordination of veterans' health care benefits.

**Recommendation #4:**

Provide instructions to local districts on how to effectively use Cognos reports to identify veterans.

**Recommendation #5:**

Direct local districts to use the Cognos reports to identify all veterans in their districts who are enrolled in Medicaid, but have not yet been referred to the State DVA/local VSA. Ensure those State DVA/local VSA referrals are made and that veterans file for VA health care benefits.

**Responses #1, 2, 3, 4 and 5:**

The Department will issue a letter by August 31, 2014 to the Medicaid Directors of the local districts about the importance of the following:

- Veterans need to be identified and referred to either the State Division of Veterans' Affairs (State DVA) or the local veterans' service agencies (local VSA);
- Each referral, whether in writing or verbal, needs to be recorded in the case record;
- Provide information about best practices currently known by the Department and ask local districts to share other best practices that can also be distributed to all local districts;
- Instruct the local districts on how to use the Cognos reports to identify veterans; and
- Advise the local districts that the Department will begin conducting reviews of case records to monitor local district compliance with identifying and referring veterans, including whether referrals are noted in the case records. These reviews will be conducted by Department field staff when they are onsite conducting regular case record reviews.

**Recommendation #6:**

Update WMS with PARIS veterans match data on spouses and dependents of veterans who may be eligible for CHAMPVA.

**Recommendation #7:**

Include veterans' spouse and dependent information on Cognos reports.

**Recommendation #8:**

Promptly develop and implement a method to inform all veterans, who apply for Medicaid through the NY State of Health Marketplace (Marketplace), of the health care benefits available through the VA. Further, advise veterans of the State DVAs/local VSAs that provide assistance to veterans regarding health care benefits.

**Responses #6, 7 and 8:**

The Department is responsible for streamlining and improving access to the continuum of public and commercial health insurance coverage through implementation of health reform under the Affordable Care Act. The Department has also been charged with assuming the function of the Local Department of Social Services (LDSS) concerning the determination and redetermination of eligibility for New York's public health insurance programs. A major component necessary to fulfill our charges was the development of the Marketplace, a centralized point of entry for those seeking subsidized and non-subsidized health insurance in NYS. At this time, the Department does not have plans to utilize limited resources to modify older systems that will not be used in the future.

The Department will not inform veterans who apply for public assistance through the Marketplace of the benefits they may be eligible for through the VA. Although the Marketplace affords individuals the opportunity to check their eligibility for assistance through health care programs like Medicaid and to enroll if eligible, the Marketplace itself does not provide the "assistance, treatment, counseling, [or] care" and thus is not an entity subject to the requirements of NYS Executive Law §354-a.