ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

October 10, 2017

Ms. Andrea Inman
Audit Director
New York State Office of the State Comptroller
110 State Street, 11th Floor
Albany, New York 12236

Dear Ms. Inman:

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 2015-S-47 entitled, "Inappropriate Premium Payments for Recipients No Longer Enrolled in Mainstream Managed Care and Family Health Plus."

Please feel free to contact Estibaliz Alonso, Acting Assistant Commissioner, Office of Governmental and External Affairs at (518) 473-1124 with any questions.

Sincerely,

Howard Zucker M.D.

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

Enclosure

cc: Estibaliz Alonso

Department of Health Comments on the Office of the State Comptroller's Final Audit Report 2015-S-47 entitled, Inappropriate Premium Payments for Recipients No Longer Enrolled in Mainstream Managed Care and Family Health Plus

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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 2015-S-47 entitled, "Inappropriate Premium Payments for Recipients No Longer Enrolled in Mainstream Managed Care and Family Health Plus."

Background

New York State (NYS) is a national leader in its oversight of the Medicaid Program. The Office of the Medicaid Inspector General (OMIG) conducts on-going audits of the Medicaid program and managed care plans. The Department and OMIG will continue to focus on achieving improvements to the Medicaid program and aggressively fighting fraud, waste and abuse.

Under Governor Cuomo's leadership, the Medicaid Redesign Team (MRT) was created in 2011 to lower health care costs and improve quality of care for its Medicaid members. Since 2011, Medicaid spending has remained under the Global Spending Cap, while at the same time providing health care coverage to an additional 1,475,319 fragile and low income New Yorkers. Additionally, Medicaid spending per recipient decreased to $8,305 in 2015, consistent with levels from a decade ago.

Recommendation #1:

Review the $115 million ($65.2 million + $49.8 million) in improper and questionable premium payments we identified and recover overpayments, as appropriate.

Response #1

OMIG has recovered $15,103,000, and continues to pursue recovery of any payments determined to be inappropriate.

OMIG performed an analysis of a data correction completed by the Office of Health Insurance Programs (OHIP), and determined managed care eligibility was restored for 31,698 claims, totaling more than $11.2 million in appropriate payments.

Recommendation #2:

Formally assess the reasons for the outstanding improper payments and strengthen controls to address these weaknesses. This assessment should include, but not be limited to:

- Engaging in a dialogue with all LDSS and determining the various reasons for, and solutions to, delays in identifying disenrollment and delays in notifying Plans of retroactive disenrollment once retroactive disenrollment is identified; and

- Engaging in a dialogue with all Plans and determining the various reasons for, and solutions to, delays in voiding premium payments within the timeframe specified in the model contract.

Response #2:

The Department and OMIG have provided consistent support and education to Local Department of Social Services (LDSS) regarding the retroactive disenrollment process. As issues are identified and changes implemented, LDSS and plans continue to be engaged, and this process will continue. OMIG conducted a survey of LDSS to identify possible issues and worked to address any that were shared by the LDSS. OMIG has posted a webinar on its website regarding the retroactive disenrollment process.

https://omig.ny.gov/resources/webinars/1050-omig-webinar-37-retroactive-disenrollment-process

Recommendation #3:

Provide formal clarification to HRA and other LDSS regarding what constitutes "at risk" to help ensure: ineligible recipients are properly disenrolled; Plans are notified of all improper premium payments during periods when Plans are not at risk; and all corresponding improper payments are voided.

Response #3:

The Department agrees to provide clarification of "at risk" to HRA and other LDSS. The definition of at risk is contingent on whether an individual has met the circumstances for retroactive disenrollment outlined in section 3.6 and appendix H of the model contract.

Recommendation #4:

Upon completion of the evolution projects to recover deleted enrollment data in eMedNY and the MDW, conduct an assessment to ensure the problems with the deleted enrollment information were fully corrected.

Response #4:

Evolution projects and data correction projects are being submitted to protect and reinstate the managed care enrollment lines in eMedNY. Evolution project EP 2069 went into production on November 17, 2016. This project implemented force close rules with the Welfare Management System (WMS) and NY State of Health transactions. Another evolution project, EP 2058 currently under review at eMedNY, includes aligning managed care enrollment and eligibility. Data correction project 78162 (retroactively disenrolled from Medicaid Managed Care) was implemented in July 2017. An OMIG review determined that 31,698 months of managed care enrollments were restored totaling over $11.2 million. Additional data corrections will be submitted upon further review of the remaining claims to determine the cause of the deletion. Additionally, ongoing reconciliation efforts are being done to correct prior issues with previously submitted WMS and NY State of Health transactions. When all projects have been implemented, the Department will validate the full correction.

Recommendation #5:

Determine the reasons for the differences in the improper premium payments identified by our office and the OMIG audits for the two Plans and enhance the methodology of the OMIG audits accordingly to help ensure all improper premium payments are recovered. In particular, the OMIG should assess using other date of death sources, including eMedNY and the SSA.

Response #5:

Discrepancies between OSC's findings and OMIG's retroactive disenrollment audits could be the result of OSC including in its findings capitation payments associated with eligibility line deletions that were inappropriately made. These deletions do not reflect true retroactive disenrollments, and are therefore not overpayments.

As previously discussed with OSC, OMIG used data from Vital Statistics, as it is considered the official record of NYS. OMIG has incorporated information from eMedNY into its audits. OMIG is in the process of obtaining access to the Federal Social Security Administration Death Master File.

Response to OSC Comments:

The Department has responded to OSC comment number four in the revised final audit response for recommendation number three.

OMIG maintains that the potential retroactive disenrollment payments OSC identified during their audit, may not be true inappropriate payments. OMIG will continue to review OSC's identified findings, and recover any payments that are determined to be inappropriate. Through its routine audits, OMIG identifies individuals who meet the criteria for retroactive disenrollment. These criteria are outlined in Section 3.6 and Appendix H of the Managed Care Model Contract, and include enrollees who are incarcerated, deceased, enrolled in an institution under circumstances that render an individual ineligible for managed care, and enrolled in one or more managed care plans under multiple client identification numbers (CIN)s.