

NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

January 28, 2014

Dennis Buckley, Audit Manager
Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, New York 12236

Dear Mr. Buckley:

Enclosed are the Department of Health's comments on the Office of the State Comptroller's Follow-Up Report 2013-F-14 on Department actions relative to the recommendations contained in earlier OSC Report 2010-S-73 entitled, "Overpayments of Claims for Selected Professional Services."

Thank you for the opportunity to comment.

Sincerely,



Sue Kelly
Executive Deputy Commissioner

Enclosure

cc: Jason A. Helgersen
James C. Cox
Michael Nazarko
Diane Christensen
Lori Conway
Robert Loftus
Joan Kewley
Ronald Farrell
Brian Kiernan
Elizabeth Misa
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**Department of Health
Comments on the
Office of the State Comptroller's
Follow Up Audit Report 2013-F-14 Entitled
"Overpayments of Claims for Selected
Professional Services"**

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Follow-up Report 2013-F-14 entitled, "Overpayments of Claims for Selected Professional Services" (Report 2010-S-73).

Recommendation #1:

Correct the flaw in the eMedNY claims processing system that allows duplicate payments of Medicare/Medicaid crossover claims submitted by medical groups and their individual providers.

Status – Partially implemented.

Agency Action – The Department improved eMedNY system edits to detect duplicate crossover claims submitted by medical groups and their individual providers. The improved edits would have prevented most of the overpayments identified in our initial audit. Currently, eMedNY edits deny a Medicaid payment if an individual provider's claim includes the identification number of an affiliated group which has submitted a claim for the same service. The edits compare the group identification numbers, identify the duplicate service claims, and deny payment of such claims. However, the edits will not identify duplicate claims if an individual provider's claim does not include the identification number of the affiliated medical group.

Response #1:

Evolution Project (EP) #1729 was requested for the purpose of developing eMedNY system edits which will prevent two claims from being paid for the same service, one submitted under the group practice and another submitted under the practitioner. EP #1729 has been scheduled for initiation the first quarter 2014.

Recommendation #2:

Review the \$93,593 in potential duplicate payments we identified and recover where appropriate.

Status – Implemented

Agency Action – As part of its routine audits of Medicare crossover duplicate claims, the Office of the Medicaid Inspector General (OMIG) recovered \$48,133 of the \$93,593 identified in the initial audit. Further, according to OMIG officials, the remaining duplicate payments were not recovered because: the payments were to providers subject to formal investigations; or the dollar amounts in question were below OMIG's recovery threshold (\$2,500) for an individual provider or group practice.

Response #2:

The Department confirms our agreement with this report.

Recommendation #3:

Recover the \$6,794 in duplicate payments from the podiatrist. Review claims for the podiatrist where there was no supporting documentation and recover payments, as appropriate.

Status – Implemented

Agency Action – The OMIG recovered the \$6,794 in duplicate payments to the podiatrist. Further, OMIG officials did not review all claims lacking supporting documentation because the dollar amounts in question were below OMIG's recovery threshold for an individual provider.

Response #3:

The Department confirms our agreement with this report.

Recommendation #4:

Remind providers they should not rely on nursing homes to retain their medical records and other documentation to support their Medicaid claims.

Status – Implemented

Agency Action – In its June 2012 Medicaid Update newsletter, the Department reminded providers to maintain their own medical records and other documentation required to support their Medicaid claims.

Response #4:

The Department confirms our agreement with this report.