



Department of Health

ANDREW M. CUOMO
Governor

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

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

June 6, 2018

Ms. Andrea Inman, Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street – 11th Floor
Albany, New York 12236-0001

Dear Ms. Inman:

Enclosed are the Department of Health's comments on the Office of the State Comptroller's Follow-Up Audit Report 2018-F-2 entitled, "Improper Episodic Payments to Home Health Providers." (Follow Up to 2016-S-4)

Thank you for the opportunity to comment.

Sincerely,

Sally Dreslin, M.S., R.N.
Executive Deputy Commissioner

Enclosure

cc: Marybeth Hefner
Donna Frescatore
Dennis Rosen
Erin Ives
Brian Kiernan
Timothy Brown
Elizabeth Misa
Geza Hrazdina
Jeffrey Hammond
Jill Montag
James Dematteo
James Cataldo
Diane Christensen
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**Department of Health
Comments on the
Office of the State Comptroller's
Follow-Up Audit Report 2018-F-2 entitled,
Improper Episodic Payments to Home Health Providers
(Follow Up to Report 2016-S-4)**

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Follow-Up Audit Report 2018-F-2 entitled, "Improper Episodic Payments to Home Health Providers." (Follow Up to Report 2016-S-4)

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 1,276,304 fragile and low income New Yorkers. Additionally, Medicaid spending per recipient decreased to \$8,609 in 2016, consistent with levels from a decade ago.

Recommendation #1

Review the \$16.6 million in improper payments made to CHHAs and recover overpayments, as appropriate. Ensure prompt attention is paid to those providers that received the largest dollar amounts of overpayments.

Status – Partially Implemented

Agency Action – The Office of the Medicaid Inspector General (OMIG) investigates and recovers improper Medicaid payments on behalf of the Department. As of March 15, 2018, OMIG recovered \$590,455 of the \$16.6 million in improper Medicaid payments our initial audit identified. OMIG conducted an expanded review of EPS payments to CHHAs, including claims outside the original scope of our audit, and recovered an additional \$661,920 in improper payments. According to OMIG officials, they will continue auditing the improper payments we identified, including to those providers that received the largest dollar amount of overpayments, and will make additional recoveries as appropriate.

Response #1

To date, OMIG has recovered more than \$1.8 million, and will continue to pursue recovery of any payment determined to be inappropriate.

Recommendation #2

Develop and implement mechanisms to identify and recover overpayments when CHHAs do not bill according to Department guidelines.

Status – Not Implemented

Agency Action – Department officials stated they were exploring the possibility of developing and implementing claim processing controls to identify and recover overpayments when CHHAs did not bill according to Department guidelines. However, officials could not provide evidence to support their stated efforts.

Response #2

The Department is currently working to revise and improve the claim processing controls to identify and recover overpayments when Certified Home Health Agencies (CHHAs) do not bill according to Department guidelines.