



## Department of Health

**ANDREW M. CUOMO**  
Governor

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

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

September 28, 2018

Ms. Andrea Inman, Audit Director  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street – 11<sup>th</sup> 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-8 entitled, "Reducing Medicaid Costs for Recipients with End Stage Renal Disease." (2015-S-14)

Thank you for the opportunity to comment.

Sincerely,

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

Enclosure

cc: Marybeth Hefner  
Donna Frescatore  
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**Department of Health  
Comments on the  
Office of the State Comptroller's  
Follow-Up Audit Report 2018-F-8 entitled,  
Reducing Medicaid Costs for Recipients With  
End Stage Renal Disease (2015-S-14)**

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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) Follow-Up Audit Report **2018-F-8** entitled, "Reducing Medicaid Costs for Recipients With End Stage Renal Disease (2015-S-14)."

**Recommendation #1**

Implement a process to identify and notify recipients with an ESRD diagnosis to apply for Medicare coverage. Instruct the recipients on how and where to apply for Medicare.

Status - Implemented

Agency Action - Since December 2017, the Department has produced monthly reports that identify Medicaid recipients with ESRD. The Department sends letters to these recipients informing them of their potential eligibility for Medicare based on their ESRD diagnosis and treatment. The letters inform recipients of where and how to apply for Medicare, what documentation is required for the application, and the differences between Medicare and Medicaid.

**Response #1**

The Department confirms agreement with this report.

**Recommendation #2**

Develop an outreach program that educates and encourages ESRD-related providers and other stakeholders to proactively inform Medicaid recipients with ESRD about Medicare benefits, inform recipients about State MSP opportunities, and actively assist recipients apply for Medicare.

Status - Partially Implemented

Agency Action - In March 2017, the Department updated its website to include several resources for individuals with ESRD, including information on potential eligibility for Medicare based on their ESRD diagnosis. The website also includes links to the Social Security Administration's (SSA) website for applying for Medicare, links for local SSA offices and information from the Centers for Medicare & Medicaid Services (CMS), and links to the State's Medicare Savings Program (MSP), which offers additional assistance by paying for Medicare Part B premiums.

However, the Department did not inform ESRD-related providers or other stakeholders about the improved website and resources. For example, the Department has not issued a Medicaid update referencing its improved website. As a result, providers are not encouraged to inform recipients of their potential eligibility or State MSP opportunities.

## **Response #2**

The Department is posting an article in November 2018's monthly Medicaid Update to encourage ESRD-related providers to inform Medicaid applicants and recipients with end stage renal disease (ESRD) about Medicare benefits. The posting will include a link to the Department's improved webpage, which includes Medicare resources for individuals with ESRD.

## **Recommendation #3**

Monitor and follow up with recipients who do not apply for Medicare and facilitate their enrollment by developing and implementing processes that include, but are not limited to:

- Identifying recipients' qualifying relations (spouse, parent),
- Obtaining recipients' qualifying credits (QCs) data from SSA,
- Ascertaining whether Medicaid recipients diagnosed with ESRD are potentially eligible for Medicare, and
- Sending follow-up notifications to recipients informing them of their apparent Medicare eligibility.

Status - Partially Implemented

Agency Action - The Department contracted with enrollment facilitators familiar with Medicare and Medicaid rules to provide education and outreach to assist individuals identified as ESRD Medicaid recipients in applying for Medicare. While the determination of Medicare eligibility is the responsibility of SSA, the contractors are to monitor and track progress and report Medicare application outcomes to the Department. According to Department officials, contractors completed training by the end of July 2018, and on August 3, 2018, contractors were sent their first list of Medicaid recipients diagnosed with ESRD. The contractors were expected to report Medicare application outcomes beginning on September 15, 2018.

## **Response #3**

The recommendation has been fully implemented. The reporting of Medicare application outcomes to the Department by its contractors began in September 2018. In the first month of work, the Facilitated Enrollers for the Aged, Blind and Disabled (FE ABD) Program mailed outreach postcards to over 1,500 individuals identified as having an ESRD diagnosis and not yet enrolled in Medicare, and conducted approximately 425 outreach telephone calls.

## **Recommendation #4**

If SSA clarifies or amends its rules for uncooperative individuals to include ESRD recipients:

- Collect and submit the documentation required for SSA to make an ESRD Medicare eligibility determination for recipients with the necessary QCs who do not apply for Medicare, and
- Design and implement new processes to effectuate Department requests for Medicare enrollment and buy-in for eligible ESRD recipients who do not apply for Medicare.

Status - Not Applicable

Agency Action - At the time of our follow-up review, SSA had not amended its rules that pertained to uncooperative individuals to include ESRD recipients.

**Response #4**

The Department confirms agreement with this report.

**Recommendation #5**

Recover claims paid for any retroactive Medicare enrollments of Medicaid recipients diagnosed with ESRD.

Status - Partially Implemented

Agency Action - The Office of the Medicaid Inspector General (OMIG) investigates and recovers improper Medicaid payments of behalf of the Department. We found that the OMIG has taken steps to recover claims paid for Medicaid recipients diagnosed with ESRD. At the time of our follow-up review, OMIG had recovered \$55,049 in paid Medicaid claims and an additional \$491,853 in paid claims were voided. OMIG officials informed us they plan to continue to review claims paid for any retroactive Medicare enrollments of ESRD recipients, and pursue recoveries where appropriate.

**Response #5**

To date, OMIG has recovered \$58,770 and verified \$618,504 in voided claims. OMIG will continue to review claims paid for any retroactive Medicare enrollments of recipients, and pursue recoveries of overpayments where appropriate.