



Department of Health

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Governor

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Commissioner

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

October 4, 2019

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 2018-S-13 entitled, "Medicaid Program – Medicaid Claims Processing Activity April 1, 2018 through September 30, 2018."

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

Sincerely,

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

Enclosure

cc: Estibaliz Alonso

Department of Health
Comments on the Office of the State Comptroller's
Final Audit Report 2018-S-13 entitled, "Medicaid Program – Medicaid
Claims Processing Activity April 1, 2018 Through September 30,
2018"

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Final Audit Report 2018-S-13 entitled, "Medicaid Program - Medicaid Claims Processing Activity April 1, 2018 Through September 30, 2018."

Recommendation #1

Review the managed care premium payments we identified and make recoveries, as appropriate.

Response #1

The Office of the Medicaid Inspector General's (OMIG) contractor will review the premium payments identified and determine an appropriate course of action.

Recommendation #2

Implement a maximum threshold for the deductible amount in eMedNY edit 02144 for institutional claims, and set the corresponding edit disposition to pend or deny.

Response #2

The Department is currently reviewing the existing eMedNY functions and edits, such as 02144 and 01719, for institutional claims to determine if system enhancements, including leveraging other existing edits, can be implemented to prevent overpayments on Medicare Part B deductible claims. The Department has already taken proactive steps to fully recover the identified overpayment.

Recommendation #3

Review the \$749,259 in overpayments and make recoveries, as appropriate.

Response #3

OMIG's contractor will review the identified overpayments and determine an appropriate course of action.

Recommendation #4

Formally advise the hospitals to accurately report alternate levels of patient care when billing Medicaid to ensure appropriate payment.

Response #4

The Department issued a Medicaid Update article in July 2019 advising hospitals to accurately report alternate levels of patient care when billing Medicaid to ensure appropriate payment.

Recommendation #5

Review the \$300,867 (\$282,619 + \$18,248) in overpayments and make recoveries, as appropriate.

Response #5

OMIG's contractor will review the identified overpayments and determine an appropriate course of action.

Recommendation #6

Formally advise the hospitals to accurately report newborn claim information when billing Medicaid to ensure appropriate payment.

Response #6

The Department issued a Medicaid Update in July 2019 advising hospitals to accurately report newborn claim information when billing Medicaid to ensure appropriate payment.

Recommendation #7

Review the \$483,850 in overpayments and make recoveries, as appropriate.

Response #7

OMIG's contractor will review the identified overpayments and determine an appropriate course of action.

Recommendation #8

Ensure the planned eMedNY system project prevents multiple CPEP payments for an individual episode of care, and prevents CPEP claims from being paid for the same date of service as a psychiatric inpatient admission.

Response #8

The Office of Mental Health has worked with the Department to update the process for billing Comprehensive Psychiatric Emergency Program (CPEP) to prevent multiple CPEP evaluation payments for an individual episode of care, and to ensure that CPEP claims are not paid for the same date of service as a psychiatric inpatient admission. A change request was submitted to update the rate type for rate codes 4007 and 4008 to a "monthly" rate type on May 6, 2019, which will prevent the double payment issue. The effective date of the change is January 1, 2019.

Recommendation #9

Review the \$479,321 (\$431,814 + \$24,355 + \$23,152) in overpayments and make recoveries, as appropriate.

Response #9

OMIG will review the identified overpayments and determine an appropriate course of action.

Recommendation #10

Review the \$326,697 (\$197,234 +\$111,008 +\$18,455) in overpayments and make recoveries, as appropriate.

Response #10

Due to the complexity of the claims and services provided, OMIG will extract its own data and perform analysis, and determine an appropriate course of action.

Recommendation #11

Determine the status of the remaining three providers relating to their future participation in the Medicaid program.

Response #11

OMIG has determined the three remaining providers are under review.