

THOMAS P. DINAPOLI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

October 15, 2019

Howard A. Zucker, M.D., J.D.
Commissioner
Department of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Re: Improper Medicaid Payments to a
Transportation Provider
Report 2019-F-28

Dear Dr. Zucker:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Health to implement the recommendations contained in our audit report *Improper Medicaid Payments to a Transportation Provider* (Report [2018-S-10](#)).

Background, Scope, and Objective

The Department of Health (Department) administers the State's Medicaid program, which provides a wide range of health care services to individuals who are economically disadvantaged and/or have special health care needs. The Medicaid program provides transportation to medically necessary services for recipients who are unable to obtain transportation on their own. Medicaid reimbursement for transportation services is available to lawfully authorized transportation providers. The Department requires Medicaid transportation providers to keep contemporaneous, complete, acceptable, and verifiable records necessary to support Medicaid payments for a period of six years. For example, transportation providers must document every leg of the trip with the acceptable trip verification information, which includes: the Medicaid recipient's name; date of transport; origination and destination of the trip, along with the time of pick-up and drop-off; vehicle license plate number; and driver's license number. If any of the required information is incomplete or deemed unacceptable or false, any relevant paid reimbursement will be recouped and the provider may be subject to other statutory or regulatory liability, financial damages, and sanctions.

We issued our initial audit report on September 5, 2018. The audit objective was to determine whether Medicaid made inappropriate payments to a transportation provider. The audit covered the period September 26, 2012 through December 31, 2016. Our audit found that the transportation provider did not maintain the required documentation to support transportation claims prior to 2016, which accounted for \$1.4 million in Medicaid payments. We recommended that the Department review the \$1.4 million in Medicaid payments to the transportation provider and recover any inappropriate payments.

The objective of our follow-up was to assess the extent of implementation, as of September 25, 2019, of the recommendation included in our initial audit report.

Summary Conclusions and Status of Audit Recommendation

In March 2018, the Office of the Medicaid Inspector General (OMIG) commenced an investigation of the transportation provider. At the time of our follow-up review, the investigation was ongoing and OMIG officials advised that recoveries of Medicaid overpayments and corrective actions would occur, if appropriate, when the investigation was complete. Our follow-up review found that the initial audit report's recommendation was partially implemented.

Follow-Up Observations

Recommendation 1

Review the \$1.4 million in Medicaid payments to the transportation provider and recover any inappropriate payments, as warranted.

Status – Partially implemented

Agency Action – Our initial audit found that the transportation provider could not provide the required documentation to support a sample of transportation claims that we requested for services prior to 2016. In fact, the provider stated it did not have all required supporting documentation for any services that occurred prior to 2016. As such, we were unable to determine if services had been provided, and we recommended the Department review all the provider's transportation claims prior to 2016.

OMIG investigates and recovers improper Medicaid payments on behalf of the Department. As a result of our audit, OMIG initiated an investigation of the provider in March 2018 and, as of September 2019, the investigation was still ongoing and no recoveries had been made. According to OMIG officials, recovery of claim overpayments will occur, if appropriate, at the conclusion of the investigation.

Major contributors to this report were Rebecca Tuczynski, Kimberly Geary, and Michael Gouvakis.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the Department for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Christopher Morris
Audit Manager

cc: Ms. Jessica Lynch, Department of Health
Mr. Dennis Rosen, Medicaid Inspector General