



An Anthem Company

Jason O'Malley
Regional Vice President, Sales
15 Plaza Drive
Latham, NY 12110
(518) 713-6190
Jason.O'Malley@empireblue.com

August 3, 2020

Andrea Inman
Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236-001

Dear Ms. Inman,

We have reviewed the information in the final report for Audit 2019-S-31 and appreciate the opportunity to respond to your office's recommendations. For the remainder of this response we will refer to Empire BlueCross as "Empire" and the Office of the State Comptroller as "OSC".

On March 20, 2020, the Department of Financial Services issued Circular Letter No. 8 (2020) encouraging plans to suspend all non-essential audit activities and overpayment recoveries for a period of 90-days. This ensured facilities had adequate resources during the declared COVID-19 pandemic to provide care to the communities they serve. Empire has since resumed audit activities, which do not require medical records; however, have not resumed audit related recoveries due to the negative financial impact COVID-19 had on New York Hospitals.

Recommendation #1: Review the \$162,887 in claims identified in this audit and recover all overpayments, as warranted.

OSC identified 176 claims in which Empire potentially reimbursed separately for intraocular lens implants billed in conjunction with non-implant HCPCS codes. Empire has requested medical records for 123 of these claims to complete a comprehensive review.

As stated in our response to OSC's preliminary report, the remaining 53 claims were not sent for review for the following reasons:

- Claim outside the contractual timeframe allowed for review (34 claims)
- Claim billed with a payable implant HCPCS code and revenue code (14 claims)
- Claim was reviewed by Empire prior to OSC's audit (5 claims)

Upon receipt of medical records, a review will be completed to determine medical necessity. Following the review, if deemed medically inappropriate a denial will be issued to the provider with their options to appeal the decision.

If the provider does not submit an appeal within the allocated timeframe or if an appeal is upheld, the recovery process will be initiated as appropriate.

To date Empire has recovered \$13,408.45. As recovery activities resume, we will continue to update OSC on the status of completed recoveries.

Recommendation #2: Evaluate the effectiveness of the new (October 2019) edit to ensure intraocular lens claims with contradicting service codes are properly reimbursed, and if not, establish appropriate payment controls.

Following the review of our claim edit hierarchy Empire implemented an additional claim suspend which will allow claim examiners to perform a more comprehensive review of the entire claim prior to the release for payment.

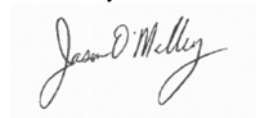
This change was implemented during the last quarter of 2019, so the effectiveness associated with this change has not yet been determined.

In summary, Empire will continue to keep OSC apprised on the status of recoveries associated with this audit, and continue to monitor our claim edit hierarchy to identify potential areas of risk as it relates to intraocular lens reimbursement.

We hope this response emphasizes Empire's ongoing commitment to The State of New York and the implementation of OSC's recommendations. We appreciate the partnership we have with our office and expect it to continue in the future.

Thank you for your courtesy extended throughout this audit.

Sincerely,



Jason O'Malley
RVP, Sales
Empire Blue Cross

Cc: Mr. James DeWan, Department of Civil Service
Mr. Ronald Kuiken, Department of Civil Service
Mr. Daniel Yanulevich, Department of Civil Service
Mr. Leif Engstrom, Department of Civil Service
Ms. Dominique Choute, Department of Civil Service
Ms. Angela Blessing, Empire BlueCross
Ms. Janna Liberty, Empire Blue Cross