



**Department of  
Civil Service**

KATHY HOCHUL  
Governor

TIMOTHY R. HOGUES  
Commissioner

February 14, 2023

Andrea Inman  
Audit Director  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street – 11<sup>th</sup> Floor  
Albany, NY 12236-0001

Re: Audit Report 2021-S-18

Dear Ms. Inman:

The Department of Civil Service (DCS) is providing the enclosed Corrective Action Plan related to Audit Report 2021-S-18 titled New York State Health Insurance Program: Payments by Beacon Health Options for Mental Health and Substance Abuse Services for Ineligible Members. The Department appreciates your time and efforts in conducting this audit and has worked diligently to address the Audit Report's recommendations.

If you have additional questions or comments, please contact Leif Engstrom at [Leif.Engstrom@cs.ny.gov](mailto:Leif.Engstrom@cs.ny.gov).

Sincerely,

Daniel Yanulavich  
Director  
Employee Benefits Division

Enclosure

cc: Rebecca Corso  
Jian Paolucci  
Paul Alois  
Laurie Burns  
Gary Czosnyowski  
Leif Engstrom



**Corrective Action Plan for Audit 2021-S-18, titled: New York State Health Insurance Program: Payments by Beacon Health Options for Mental Health and Substance Abuse Services for Ineligible Members**

**Implementation Plan:**

**OSC Recommendation (1):** Review the \$3.21 million in ineligible payments and ensure appropriate recoveries are made.

And

**OSC Recommendation (2):** Take steps to ensure all recoverable claims are identified and pursued for recovery to the fullest extent practicable.

The Department agrees with these recommendations. The Department will coordinate with Beacon who has the contractual relationship with providers to effectuate these recoveries. The Department will work with Beacon to ensure these recoveries are pursued to the greatest extent practicable.

The Department required Beacon to provide a report of total eligible recovery dollars, actual recovery dollars, and outstanding recovery dollars on a quarterly basis. The most recent report from January 2023 shows that of the \$3.21 million in claims, \$3.18 million is recoverable. To date, Beacon has recovered \$620,000 in claims. Approximately \$30,000 is not recoverable due to the 2016 Dependent Eligibility Verification Audit (DEVA). These members were terminated due to the DEVA, but were later reinstated after providing dependent proofs and the Department instructed Beacon not to initiate recoveries.

Implementation Date: October 2022 and ongoing

Division Responsible for Implementation: Employee Benefits

**OSC Recommendation (3):** Take steps to ensure eligibility information is complete, accurate, and up to date, including but not limited to continuing to perform periodic reconciliations and improving the reconciliation process.

And

**OSC Recommendation (4):** Continue to take steps to ensure HBAs are properly informed of their responsibilities (including the importance of the timeliness and accuracy of coverage updates) and continue to monitor whether HBAs are up to date on relevant training.

The Department agrees with these recommendations. In recent months and years, the Department has initiated improvements that demonstrably improved the accuracy and timeliness of the eligibility information in NYBEAS and Beacon's eligibility system. These improvements include, but are not limited to, sending dependent verification letters to enrollees with family coverage, and emphasizing the importance of timely enrollment transaction processing through the ongoing HBA trainings. The Department has completed reconciliations through Q3 of 2022, and Q4's reconciliation in progress. Beacon has reported significant reductions in discrepancies between eligibility systems which the Department can attest to from its own review of these files. The Department looks forward to providing future updates on its efforts.

Implementation Date: October 2021 and ongoing

Division Responsible for Implementation: Employee Benefits



Daniel Yanulavich, Director of Employee Benefits