

Department of Health

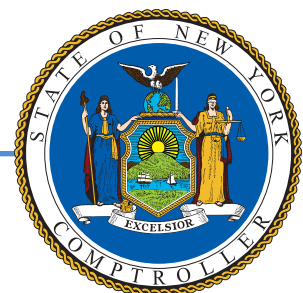
Medicaid Program: Improper Overlapping Medicaid and Essential Plan Enrollments

Report 2020-S-66 | October 2022

OFFICE OF THE NEW YORK STATE COMPTROLLER

Thomas P. DiNapoli, State Comptroller

Division of State Government Accountability



Audit Highlights

Objective

To determine whether Medicaid and Essential Plan enrollments determined by NY State of Health were accurately reflected in eMedNY when individuals transitioned between the Medicaid and Essential Plan programs and to identify overpayments resulting from inaccurate enrollments. The audit covered the period January 2016 through May 2022.

About the Program

The New York State Medicaid program, administered by the Department of Health (Department), provides a wide range of health care services to individuals who are economically disadvantaged and/or have special health care needs. New York's Essential Plan (EP) provides health insurance to lower-income people who, generally, don't otherwise qualify for Medicaid. As income, household makeup, and other factors change, individuals may transition between Medicaid and EP.

NY State of Health (NYSOH) is the State-run health plan marketplace organized under the Department where individuals can apply for and enroll in health insurance plans, including Medicaid and EP. An individual's Medicaid and EP enrollment data is transmitted from NYSOH to eMedNY, the Department's Medicaid claims processing and payment system. The eMedNY system relies on information from NYSOH to accurately make payments for the Medicaid and EP programs.

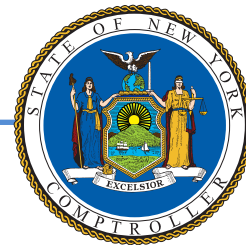
Key Findings

The audit identified system processing weaknesses in NYSOH and eMedNY that resulted in recipients having duplicative Medicaid and EP enrollments, which led to improper Medicaid and EP payments.

- We identified 4,784 overlapping Medicaid and EP enrollment periods for 4,422 recipients who had the same Social Security number and combinations of the same first name, last name, and/or date of birth. During these overlapping enrollment periods, the Department made Medicaid payments totaling \$36.5 million and EP payments totaling \$16.2 million.
- We identified 651 overlapping Medicaid and EP enrollment periods for 603 recipients using the Department's probabilistic matching criteria (first name, last name, date of birth, and gender) when recipient Social Security numbers were not listed in one or both programs. During these overlapping enrollment periods, the Department made Medicaid payments totaling \$3.8 million and EP payments totaling \$2.2 million.
- We concluded weaknesses in the Department's automated processes caused overlapping enrollments in Medicaid and EP. Further, the Department does not have a process to detect and correct these improper duplicative enrollments, nor does it have a process to recover improper payments caused by the overlapping enrollments. Case reviews are necessary to determine which program made improper payments.

Key Recommendations

- Review and correct the identified enrollment overlaps and recover overpayments, as warranted.
- Strengthen controls to prevent overlapping enrollment periods, including: Force Closure processing weaknesses, NYSOH flaws with assigning multiple recipient identification numbers, and 834 transactions not being processed as intended.
- Develop and implement reconciliations between the Medicaid and EP programs to detect duplicative enrollments, and take corrective actions.



Office of the New York State Comptroller Division of State Government Accountability

October 11, 2022

Mary T. Bassett, M.D., M.P.H.
Commissioner
Department of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Dear Dr. Bassett:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of the Medicaid program entitled *Improper Overlapping Medicaid and Essential Plan Enrollments*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

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Glossary of Terms

Term	Description	Identifier
ACA	Affordable Care Act of 2010	<i>Law</i>
Account Number	Number assigned by NYSOH to identify households	<i>Key Term</i>
Department	Department of Health	<i>Auditee</i>
eMedNY	Department's Medicaid claims processing and payment system	<i>System</i>
EP	Essential Plan	<i>Program</i>
HX ID	Health Benefit ID assigned by NYSOH to identify individuals	<i>Key Term</i>
MAGI	Modified Adjusted Gross Income	<i>Key Term</i>
MDW	Medicaid Data Warehouse	<i>System</i>
NYSOH	NY State of Health	<i>System</i>
OMIG	Office of the Medicaid Inspector General	<i>Agency</i>
SSN	Social Security number	<i>Key Term</i>
WMS	Welfare Management System	<i>System</i>

Background

The New York State Medicaid program is a federal, state, and local government-funded program that provides a wide range of medical services to those who are economically disadvantaged and/or have special health care needs. For the State fiscal year ended March 31, 2021, New York's Medicaid program had approximately 7.3 million recipients and Medicaid claim costs totaled about \$68.1 billion (comprising \$25.3 billion in fee-for-service health care provider payments and \$42.8 billion in managed care premium payments). The federal government funded about 56.5% of New York's Medicaid claim costs, and the State and the localities (the City of New York and counties) funded the remaining 43.5%.

Under the Affordable Care Act of 2010 (ACA), the Department of Health (Department) developed the NY State of Health (NYSOH), an online marketplace for New Yorkers to obtain health insurance. In addition, the ACA allowed states to establish a Basic Health Plan, which provides minimum essential health insurance for individuals with low income and individuals who are lawfully present in the United States but who do not qualify for Medicaid due to their immigration status. Individuals with Medicaid do not qualify for the Basic Health Plan. The ACA specified that states should coordinate the administration and provision of benefits of their Basic Health Plan with the state Medicaid program and other state-administered health programs to maximize efficiency and improve continuity of care.

New York's Basic Health Plan, or "Essential Plan" (EP), first became available in NYSOH during the 2015 open enrollment period, with coverage beginning on January 1, 2016. The EP provides health insurance to lower-income people (up to 200% of the federal poverty level) who meet eligibility requirements, and is intended to offer a more affordable health insurance option for individuals than the Qualified Health Plans¹ available through NYSOH and the federal marketplace. As administrator of the EP, the Department is required to coordinate EP enrollment with that of other insurance affordability programs.

Prior to the EP, legally present non-citizens with an income between 0% and 138% of the federal poverty level qualified for Medicaid; however, the federal government did not pay any portion of these costs—the State paid the entire cost. Between April 1, 2015 and December 31, 2015, the Department began implementing a plan approved by the Centers for Medicare & Medicaid Services and transitioned these individuals into the EP. Department statistics show that, in 2019, it had transitioned a total of about 283,000 such recipients to the EP, resulting in significant savings to the State.

For the State fiscal year ended March 31, 2021, New York's EP program had approximately 892,000 recipients and EP monthly premium payments totaled about \$4.5 billion. The EP is funded primarily by federal funds, with some State funding. The Basic Health Plan statute requires the federal funds calculation to be based on 95% of federal premium tax credits and cost-sharing reductions that individuals would have received if they enrolled in Qualified Health Plans. The State is required to cover the administrative costs. As a result, the exact percentage of program

¹ A Qualified Health Plan is a certified insurance plan that meets ACA requirements for "minimum essential coverage."

costs funded with federal funds varies slightly from year to year, but it has generally exceeded 90% of the program costs.

New Yorkers can use NYSOH to enroll in Medicaid, the EP, and other Qualified Health Plans. When a recipient creates a profile in NYSOH, NYSOH assigns an account number to identify the household and assigns a Health Benefit ID (HX ID) to each recipient within the household. The ACA requires NYSOH to use a single, streamlined application for health insurance and to verify applicants' eligibility using electronic data matching (e.g., Social Security number [SSN], identity, income, citizenship) with trusted data sources.

NYSOH is the master system of record for Medicaid's MAGI² population and EP eligibility and enrollment data. NYSOH transmits Medicaid and EP enrollment data (e.g., recipient names, identification numbers, and enrollment start and end dates) to eMedNY (the Department's Medicaid claims processing and payment system) and EP insurers via 834 transactions.³ The State's Welfare Management System (WMS) is responsible for non-MAGI eligibility decisions and sends its Medicaid enrollment data to eMedNY. The eMedNY system processes enrollment data from both NYSOH and WMS, and pays Medicaid claims as well as monthly premiums to EP insurers.

Medicaid and EP eligibility and enrollment rules sometimes result in coverage overlaps that are considered allowable by the Department, such as:

- When a recipient transitions from one program to the other, the eligibility and enrollment business rules for the two programs may result in the latest program enrollment becoming effective (e.g., on the first day of the application month) before the prior program enrollment is terminated (e.g., at the end of the following month). In these cases, an overlap of 1 or 2 months could occur.
- When a recipient is determined to be eligible for retroactive Medicaid to allow providers to bill Medicaid for unpaid medical services, then a 3-month period of retroactive Medicaid could overlap with the EP enrollment.
- Where a recipient's Medicaid coverage does not qualify as "minimum essential coverage," the recipient can also be in EP.

The Department has controls to identify and terminate overlapping enrollments to help prevent overpayments. For instance, the Department employs Force Closure processes to identify WMS-enrolled Medicaid recipients. The eMedNY system lists these recipients in a Force Closure report to NYSOH. This triggers NYSOH to search for the recipients within NYSOH and to terminate any other active NYSOH health insurance enrollments.

2 Recipients eligible for Medicaid based on Modified Adjusted Gross Income (MAGI) rules.

3 834 transactions are standard electronic transactions containing health insurance enrollment data.

Audit Findings and Recommendations

The Department relies on automated processes to prevent improper overlapping Medicaid and EP enrollments. However, it does not have a process to detect and correct improper duplicative enrollments when such preventive measures fail, nor does it have a process to recover improper payments caused by overlapping enrollments. Although the Department has made significant efforts to correct weaknesses related to improper overlapping enrollments, including eMedNY and NYSOH system enhancements, more needs to be done to prevent future duplicative program enrollments.

We identified weaknesses within the Department's automated processes that resulted in overlapping enrollments in Medicaid and EP. During periods of duplicative enrollments, we identified \$36.5 million in Medicaid payments and \$16.2 million in EP premium payments on behalf of 4,422 recipients (4,784 overlaps) with the same SSN; and additional payments totaling \$3.8 million by Medicaid and \$2.2 million by EP on behalf of 603 recipients (651 overlaps) who may be the same person based on a demographic match of their first and last name, date of birth, and gender. Case reviews of potentially duplicative enrollments based on demographic matches are necessary to confirm whether the individual is the same person. Furthermore, case reviews of the circumstances and causes of the duplicative program enrollments we identified are necessary to determine which program made the improper payments and which payments should be recovered.

We analyzed EP enrollment data that was extracted on March 29, 2021 and Medicaid enrollment data, EP premium payments data, and Medicaid claims data that was extracted from the Medicaid Data Warehouse (MDW) throughout the audit fieldwork. As enrollment and claims data is continuously changing, our audit results portray findings as a snapshot in time.

For both SSN- and demographic-matched findings, we met with Department officials and continuously refined our audit findings to account for and remove situations the Department considered allowable overlaps. Furthermore, our findings represent instances when both Medicaid and EP programs made claim payments during their overlapping time periods.

We identified three potential causes⁴ of the 5,435 (4,784 + 651) overlapping enrollments, as follows:

- Gaps in the Force Closure processes that prevented closure of the duplicative enrollment (75% of overlaps)
- NYSOH not producing 834 transactions to eMedNY as expected and/or eMedNY not processing 834 transactions as intended, causing errors in recipient enrollment data (15% of overlaps)
- NYSOH assigning multiple IDs to a recipient (10% of overlaps)

⁴ Some overlaps may fit into more than one category, but we used a mutually exclusive outcome (forced into only one of the categories) so that results were not overstated.

SSN-Matched Population

We identified 4,784 overlapping Medicaid and EP enrollment periods for 4,422 recipients where the Medicaid and EP recipients had the same SSN and combinations of the same first name, last name, and/or date of birth. The Department made payments for both programs during these overlapping periods totaling \$36.5 million in Medicaid payments and \$16.2 million in EP premium payments. Each overlap must be reviewed to determine which program made the improper payment. Graphs in the Exhibit (page 16) display the leading causes of these overlapping Medicaid and EP enrollments over time.

Gaps in the Force Closure Processes

We determined that 3,764 (79% of 4,784) overlaps were related to recipients enrolled in Medicaid through WMS. These overlaps likely occurred due to gaps in the Force Closure processes. EP enrollments are always through NYSOH, and eMedNY is supposed to identify WMS-enrolled Medicaid recipients in a Force Closure report to NYSOH to trigger NYSOH to search for the recipients and terminate active EP enrollment. However, the Department does not include all WMS enrollments in its Force Closure processes.

For example, NYSOH enrolled a recipient in EP for the period April 1, 2020 through June 30, 2021. WMS enrolled this recipient in Medicaid for the period September 1, 2020 through February 28, 2021. Based on eMedNY's Force Closure criteria, this recipient would not have been included in the Force Closure report sent to NYSOH due to the recipient's Medicaid case type code. This prevented the Force Closure processes from closing the EP coverage, resulting in duplicative enrollment from September 1, 2020 through February 28, 2021. During this 6-month period, Medicaid payments totaled \$3,099 and EP premium payments totaled \$2,626.

Although the Department has made multiple improvements to the Force Closure processes, related overlaps continued throughout our audit period.

NYSOH Assigning Multiple IDs

We determined that 481 (10% of 4,784) overlaps likely occurred because recipients were enrolled in Medicaid and EP under multiple accounts and/or HX IDs (NYSOH assigns an account number to each household and a HX ID to each recipient within a household). For example, NYSOH enrolled a recipient into Medicaid beginning August 1, 2019 under one account number and HX ID. NYSOH subsequently enrolled this same recipient—under a different account number and HX ID—into EP beginning November 1, 2019. Each coverage for this recipient remained active through the end of our fieldwork (May 2022). As a result of duplicative enrollments for this recipient from November 2019 through May 2022, Medicaid payments totaled \$14,991 and EP premium payments totaled \$14,035. In this case, payments for the duplicative enrollments will likely continue until the Department reviews it and takes corrective action.

The Department has made NYSOH system improvements to help prevent multiple IDs from being assigned to the same recipient. For example, two changes were implemented in August 2019 to strengthen NYSOH's processes for preventing assignment of multiple IDs. However, the overlaps we identified as resulting from NYSOH assigning multiple account numbers and/or multiple HX IDs to the same recipient continued throughout our audit period.

Transactions Not Processed as Intended

For the remaining 539 (11% of 4,784) overlaps, the 834 transactions may not have been processed as intended. NYSOH transmits Medicaid and EP enrollment data to eMedNY via 834 transactions. When NYSOH does not produce 834 transactions to eMedNY as expected or when eMedNY does not process 834 transactions as intended, recipient coverage in eMedNY may not accurately reflect NYSOH enrollment.

For example, NYSOH sent an 834 transaction to eMedNY on March 6, 2019 to terminate a recipient's EP coverage effective February 29, 2020. The eMedNY system received the transaction but improperly terminated the EP effective February 28, 2019. NYSOH later determined this recipient to be eligible for Medicaid and enrolled them into Medicaid for the period May 1, 2019 through March 31, 2020. On March 4, 2020, NYSOH sent the 834 transaction terminating EP coverage again. However, eMedNY processed this second termination transaction by retroactively extending EP coverage for a year, resulting in duplicative Medicaid and EP enrollment for the period May 1, 2019 through February 29, 2020. During this 10-month period, Medicaid payments totaled \$4,871 and EP premium payments totaled \$3,950.

The Department implemented a NYSOH system update in September 2020 to address sending a second 834 transaction to terminate EP. However, this system update did not eliminate all 834 processing errors that led to duplicative enrollments.

Demographic-Matched Population

We identified 651 overlapping Medicaid and EP enrollment periods for 603 recipients using the Department's probabilistic matching criteria (first name, last name, date of birth, and gender) when recipient SSNs were not listed in one or both programs. The Department made payments for both programs during these overlapping periods totaling \$3.8 million in Medicaid payments and \$2.2 million in EP premium payments. While such demographic matches may produce some matches that are not the same recipient, we believe this match provides the Department with the best available data from which it can start to address duplicative program enrollments. Each overlap must be reviewed to confirm whether the individual is the same recipient and to determine which program made the improper payment. Graphs in the Exhibit display the leading causes of these overlapping Medicaid and EP enrollments over time.

Gaps in the Force Closure Processes

We determined that 301 (46% of 651) overlaps were related to recipients enrolled in Medicaid through WMS. These overlaps likely occurred due to gaps in the Force Closure processes. For example, WMS enrolled a recipient in Medicaid for the period July 1, 2019 through June 30, 2021. NYSOH enrolled this recipient in EP for the period October 1, 2020 through February 28, 2021. Based on eMedNY's Force Closure criteria, this recipient would not have been included in the Force Closure report sent to NYSOH due to the recipient's Medicaid case type code. This prevented the Force Closure processes from closing the duplicative enrollment, resulting in overlapping coverage from October 1, 2020 through February 28, 2021. During this 5-month period, Medicaid payments totaled \$22,079 and EP premium payments totaled \$2,215.

NYSOH Assigning Multiple IDs

We determined that 298 (46% of 651) overlaps likely occurred because recipients had Medicaid and EP at the same time under multiple accounts and/or multiple HX IDs. For example, NYSOH assigned two accounts and two HX IDs to the same recipient (i.e., same first name, last name, date of birth, and gender). NYSOH enrolled this recipient in EP for the period April 1, 2018 through March 31, 2019 under one account number and HX ID. NYSOH also enrolled this recipient in Medicaid for the period August 1, 2018 through July 31, 2019 under another account number and HX ID. Additionally, both Medicaid and EP profiles list the same address. This recipient had duplicative enrollments for the period August 1, 2018 through March 31, 2019. During this 8-month period, Medicaid payments totaled \$3,167 and EP premium payments totaled \$3,751.

Transactions Not Processed as Intended

For the remaining 52 (8% of 651) overlaps, the 834 transactions may not have been processed as intended. When NYSOH does not produce 834 transactions to eMedNY as expected or when eMedNY does not process 834 transactions as intended, recipient coverage in eMedNY may not accurately reflect NYSOH enrollment.

For example, NYSOH enrolled a recipient in Medicaid beginning June 1, 2019 and eMedNY processed this enrollment appropriately. On September 19, 2019, NYSOH sent an 834 transaction to eMedNY to cancel the Medicaid enrollment, with an end date of June 1, 2019. However, eMedNY processed this Medicaid end date as September 30, 2019. Subsequently, NYSOH enrolled this recipient in EP for the period June 1, 2019 through September 30, 2019 and eMedNY processed the EP 834 transaction appropriately. The different Medicaid end dates between NYSOH and eMedNY resulted in duplicative enrollments for the period June 1, 2019 through September 30, 2019. During this 4-month period, Medicaid made payments totaling \$12,512 and EP made premium payments totaling \$2,157.

Medicaid and EP Program Coordination, Reconciliation, and Recovery

The ACA requires the Department to coordinate the administration and provision of benefits among Medicaid and other state-administered health programs (i.e., EP). According to Medicaid managed care contracts, the Department has the right to recover Medicaid payments from the Medicaid insurers when recipients are simultaneously enrolled in comprehensive health insurance through any other government health insurance (i.e., EP). Likewise, EP insurer contracts state the Department always has the right to recover duplicate premium payments from EP insurers when recipients are inadvertently enrolled in multiple health plans.

The Department has processes that help prevent improper enrollment overlaps between Medicaid and EP programs, but more needs to be done. Further, when its preventive measures fall short, the Department does not have a process to detect improper overlapping Medicaid and EP enrollments and recover improper program payments. The Department performs reconciliations of recipient EP enrollments, but these reconciliations do not incorporate the Medicaid enrollments. Therefore, the Department does not reconcile or coordinate enrollments between the Medicaid and EP programs.

We reviewed the total \$40.3 million (\$36.5 million + \$3.8 million) in Medicaid payments and \$18.4 million (\$16.2 million + \$2.2 million) in EP premium payments made during the overlapping enrollment periods we reported on to identify whether Medicaid and EP premium payments were made to the same insurer for the same recipient for the same month. We determined that 13 different insurers were paid approximately \$6.9 million and \$5.7 million, respectively, for Medicaid and EP enrollments of the same recipient in the same month, as shown below.

Duplicative Monthly Medicaid and EP Payments to the Same Insurer for the Same Recipient

Match Criteria	Number of Payments	Medicaid Payments	EP Premium Payments
SSN	10,565	\$6,063,414	\$4,991,407
Demographic	1,586	831,936	702,951
Totals	12,151	\$6,895,350	\$5,694,358

Recommendations

1. Review and correct the identified Medicaid and EP enrollment overlaps and recover overpayments, as warranted, prioritizing payments made to the same insurer for the same recipient in the same month.
2. Review controls and take corrective actions to address issues that caused improper Medicaid and EP enrollment overlaps, including but not limited to:
 - eMedNY and NYSOH Force Closure processing weaknesses;
 - NYSOH assignment of multiple account numbers and/or HX IDs to the same individual; and
 - NYSOH and eMedNY 834 transaction processing that yield unintended results.
3. Develop and implement periodic reconciliations between the Medicaid and EP programs to detect duplicative enrollments and take corrective actions, including recovery of improper payments.

Audit Scope, Objective, and Methodology

The objective of our audit was to determine whether Medicaid and EP enrollments determined by NYSOH were accurately reflected in eMedNY when individuals transitioned between the Medicaid and EP programs and to identify overpayments resulting from inaccurate enrollments. The audit covered the period from January 2016 through May 2022.

To accomplish our objective and assess relevant internal controls, we interviewed officials from the Department and the Office of the Medicaid Inspector General (OMIG), and examined the Department's relevant Medicaid and EP policies and procedures as well as applicable federal and State laws, rules, and regulations. We interviewed Department officials regarding NYSOH, WMS, and eMedNY to gain an understanding of procedures for program enrollment and system processes.

We obtained EP enrollment data from NYSOH (as of March 29, 2021) and matched it to Medicaid enrollment data from the MDW. We identified recipients enrolled in both Medicaid and EP based on SSN and combinations of their first name, last name, and/or date of birth. When at least one program had no SSN present, we separately identified recipients potentially enrolled in both Medicaid and EP based on an exact match on demographic data (i.e., first name, last name, date of birth, and gender). We compared dates of Medicaid and EP enrollments to identify overlapping enrollment periods. We obtained Medicaid and EP program payments from the MDW to determine whether both programs made payments during the overlapping enrollment periods. Both Medicaid and EP payments were made during the overlapping enrollment periods we reported.

According to information received from the Department, we removed from our review the following allowable overlap scenarios:

- When Medicaid was retroactively granted for up to 3 months prior to application month
- When a recipient transitions from one program to the other and the eligibility and enrollment business rules for the two programs result in an overlap of 1 or 2 months
- Where a recipient's Medicaid coverage code did not qualify as "minimum essential coverage"

We determined the claims data obtained for the Medicaid and EP programs from the MDW and the Medicaid and EP enrollment data obtained from NYSOH, eMedNY, and the MDW were sufficiently reliable for purposes of this audit. We shared our methodology and findings with officials from the Department and OMIG during the audit for their review.

Statutory Requirements

Authority

This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. These duties could be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our professional judgment, these duties do not affect our ability to conduct this independent performance audit of the Department's oversight and administration of overlapping Medicaid and EP enrollments.

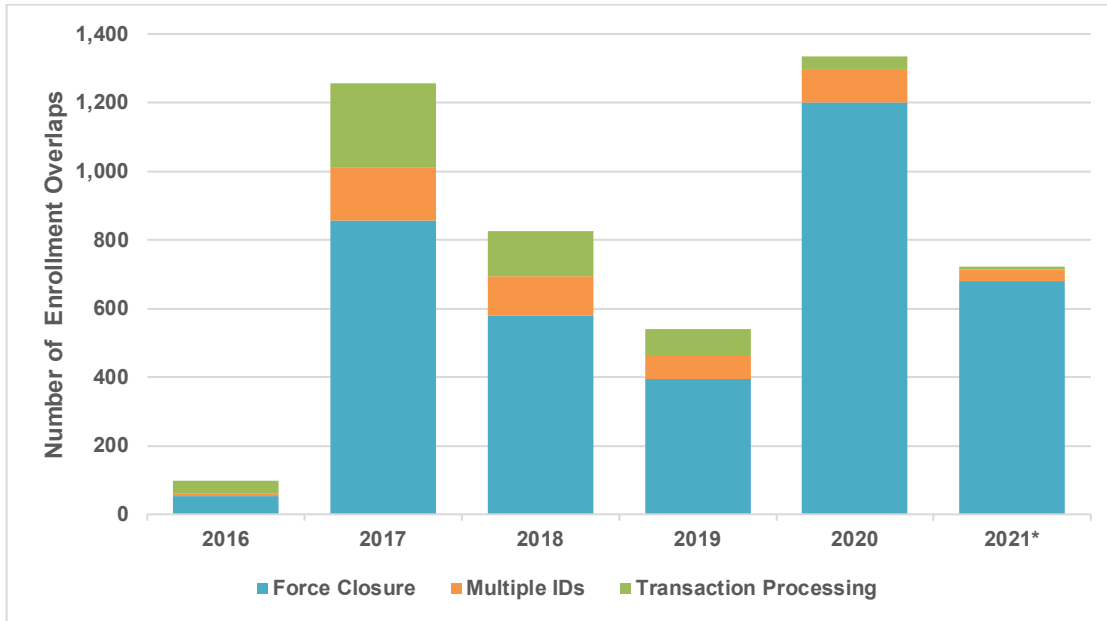
Reporting Requirements

We provided a draft copy of this report to Department officials for their review and formal comment. We considered the Department's comments in preparing this report and have included them in their entirety at the end of the report. In their response, Department officials agreed with the audit recommendations and indicated that certain actions have been and will be taken to address them.

Within 180 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Health shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Exhibit

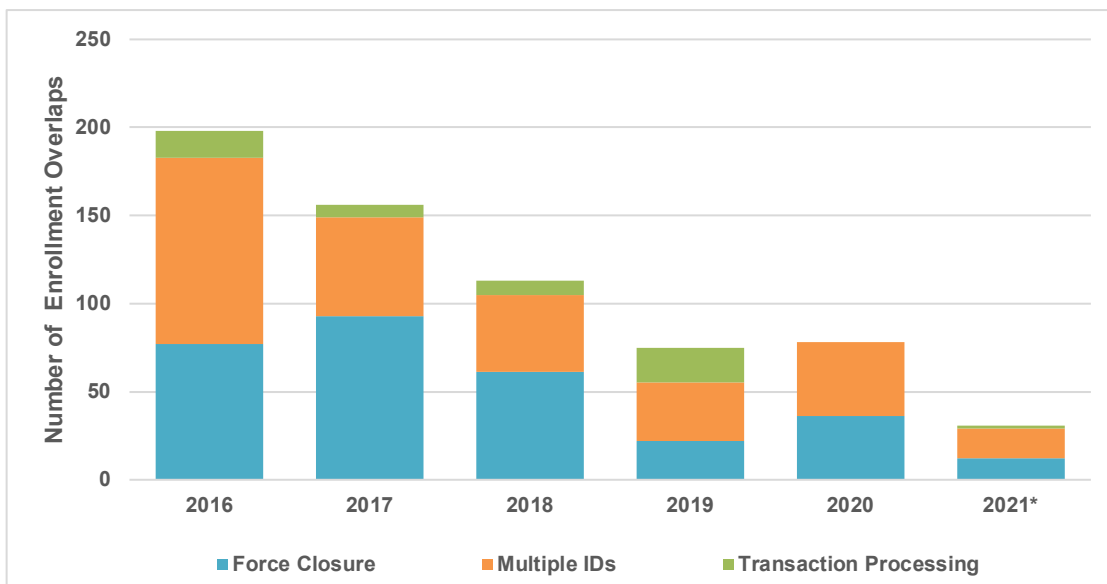
Potential Causes for SSN-Matched Population by Year



Note: In SSN-matched findings, Force Closure is the dominant likely cause of duplicative Medicaid and EP enrollments.

*The year 2021 is a partial year as NYSOH enrollment data was extracted on March 29, 2021

Potential Causes for Demographic-Matched Population by Year



Note: In Demographic-matched findings, Force Closure and Multiple IDs comprise the dominant likely causes of potential duplicative Medicaid and EP enrollments.

*The year 2021 is a partial year as NYSOH enrollment data was extracted on March 29, 2021

Agency Comments



KATHY HOCHUL
Governor

Department of Health

MARY T. BASSETT, M.D., M.P.H.
Commissioner

KRISTIN M. PROUD
Acting Executive Deputy Commissioner

August 29, 2022

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

Dear Andrea Inman:

Enclosed are the Department of Health's comments on the Office of the State Comptroller's Draft Audit Report 2020-S-66 entitled, "Medicaid Program: Improper Overlapping Medicaid and Essential Plan Enrollments."

Thank you for the opportunity to comment.

Sincerely,

Kristin M. Proud
Acting Executive Deputy Commissioner

Enclosure

cc: Diane Christensen
Melissa Fiore
Frank Walsh
Amir Bassiri
Geza Hrazdina
Andrea Martin
James Dematteo
James Cataldo
Brian Kiernan
Timothy Brown
Amber Rohan
Michael Atwood
OHIP Audit

Department of Health Comments to Draft Audit Report 2020-S-66 entitled, “Medicaid Program: Improper Overlapping Medicaid and Essential Plan Enrollments” by the Office of the State Comptroller

The following are the responses from the New York State Department of Health (the Department) to Draft Audit Report 2020-S-66 entitled, “Medicaid Program: Improper Overlapping Medicaid and Essential Plan Enrollments” by the Office of the State Comptroller (OSC).

General Comments:

The following comments address specific statements made in sections of the audit report.

Audit Findings and Recommendations (page 8)

- *During periods of duplicative enrollments, we identified \$36.5 million in Medicaid payments and \$16.2 million in Essential Plan (EP) premium payments on behalf of 4,433 recipient (4,784 overlaps) with the same social security number (SSN); and additional payments totaling \$3.8 million by Medicaid and \$2.2 million by EP on behalf of 603 recipients (651 overlaps) who may be the same person based on a demographic match of their first and last name, date of birth and gender. Case reviews of potentially duplicative enrollments based on demographic matches are necessary to confirm whether the individual is the same person. Furthermore, case reviews of the circumstances and causes of the duplicative program enrollments we identified are necessary to determine which program made the improper payments and which payments should be recovered.*

The Department notes OSC states the total dollar amount paid for all enrollments, both the correct and duplicate enrollment, which includes enrollments for individual members that were consistent with the eligibility and case processing rules. The Department will continue to review the data OSC provided to identify the enrollment segments that are subject to retroactive adjustment. The Department has an established systematic process for retroactively adjusting certain enrollments and recovering overpayments if warranted.

Demographic-Matched Population (Page 10)

- *We identified 651 overlapping Medicaid and EP enrollment periods for 603 recipients using the Department’s probabilistic matching criteria (first name, last name, date of birth, and gender) when recipient SSNs were not listed in one or both programs. The Department made payments for both programs during these overlapping periods totaling \$3.8 million in Medicaid payments and \$2.2 million in EP premium payments. While such demographic matches may produce some matches that are not the same recipient, we believe this match provides the Department with the best available data from which it can start to address duplicative program enrollments*

The Department reviewed approximately 100 of the 603 consumers matched by demographic information (i.e., first name, last name, date of birth and gender) and have determined at least 15% of the consumers are discrete individuals (i.e., the consumers are not the same individual). Based on the number of falsely matched consumers identified so far, the Department believes the total Medicaid and EP payments OSC cited as overlaps will be significantly less since the payments were appropriately made to distinct individuals. As discussed with OSC during the

course of the audit, matching consumers based on demographic information alone results in a lower confidence level match and introduces the risk of false positives. Since the Department has found multiple examples of falsely matched consumers in the cases OSC identified, the Department appreciates OSC's acknowledgment that matching consumers by demographics alone "...may produce some matches that are not the same recipient...".

Recommendation #1:

Review and correct the identified Medicaid and EP enrollment overlaps and recover overpayments, as warranted, prioritizing payments made to the same insurer for the same recipient in the same month.

Response #1:

The Department will continue to review the cases provided by OSC for instances of overlapping Medicaid and EP enrollment and will recover overpayments as warranted.

Recommendation #2:

Review controls and take corrective actions to address issues that caused improper Medicaid and EP enrollment overlaps, including but not limited to:

- Department's Medicaid claims processing and payment system (eMedNY) and NY State of Health (NYSOH) Force Closure processing weaknesses.
- NYSOH assignment of multiple account numbers and/or Health Benefit (HX) IDs to the same individual.
- NYSOH and eMedNY 834 transaction processing that yield unintended results.

Response #2:

Collaboratively, eMedNY and NYSOH have already made improvements to the force closure process (i.e., closing enrollment in NYSOH for members enrolling in the Welfare Management System), the multiple concurrently active HX IDs issue, and 834 processing between systems since the inception of the NYSOH and as additional functionalities were needed over time. Additional review of exceptions is ongoing, and the Department continues to close processing gaps and correct historic data as needed through development work and the data correction process. All related system enhancement documentation related to these improvements has been provided to OSC.

With the receipt of OSC's draft findings, NYSOH and eMedNY will determine first whether existing processes have already or will address any corrections that need to be made, or whether new processes and applicable system corrections need to be implemented.

NYSOH and eMedNY track 834 transactions daily and, working together, ensure enrollment expectations are met and that the two systems are in sync. More recently, a system enhancement was put into place for 834 transaction balance and control purposes. As noted above, all related documentation related to this enhancement has been provided to OSC. The Department will continue to monitor transaction processing and make improvements as needed.

In the period between OSC's extraction of the data and potential findings presented to the Department, (March 2021 to July 2022), project implementations and data corrections have already occurred or are in progress as part of existing processes.

Recommendation #3:

Develop and implement periodic reconciliations between the Medicaid and EP programs to detect duplicative enrollments and take corrective actions, including recovery of improper payments.

Response #3:

The Department will continue to review instances of overlapping coverage between Medicaid and EP programs and pursue options to improve existing processes.

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