



February 9, 2023

Andrea Inman  
Audit Director  
Office of the State Comptroller  
Division of State Government Accountability

Re: Follow Up Audit Report 2022-F-29

Dear Ms. Inman:

Thank you for sharing the follow up report 2022-F-29 New York State Health Insurance Program: Payments by CVS Health for Pharmacy Services for Ineligible Members. As noted in the report, the Department of Civil Service (Department) has made significant progress addressing the issues identified in the initial audit. The Department is committed to continuing this progress toward full implementation. Please see the following discussion of the recommendations OSC identified as being partially implemented.

**Recommendation 1:** *Review the \$30,695,221 in improper payments to determine the cause of the error, identify responsibility, and recover payments as warranted.*

The follow-up report accurately reports the current status of this recommendation. The Department is working with CVS Health to implement an approach to recovering improper payments. Recovering payments can be complicated because of Medicare subsidies as well as manufacturer rebates which are not applied to individual claims.

As noted in the Final Audit Report, the improper payments were primarily a result in errors in the data sharing procedures between Civil Service and CVS Health. These errors happened in the early years of the contract and were not initially identified because during that time there was not a reconciliation process for the member eligibility data. The errors have been corrected and the ongoing monthly reconciliation process was initiated in 2019.

**Recommendation 2:** *Consider establishing formal guidelines with CVS Health that outline what constitutes reasonable efforts to recover overpayments that result from Civil Service errors.*

The follow-up report accurately reports the current status of this recommendation. As mentioned above the Department is working with CVS Health to implement an approach to recovering improper payments.

**Recommendation 3:** *Continue to perform periodic reconciliations and establish or strengthen additional controls as needed, to prevent the payment of ineligible claims.*

Fully Implemented

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

Fully Implemented

Thank you for the opportunity to provide feedback on this follow up report.

Sincerely,

A handwritten signature in cursive script that reads "Daniel J. Yanulavich".

Daniel Yanulavich

Director

Employee Benefits Division