New York State Comptroller
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New York State Health Insurance Program

UnitedHealthcare – Accuracy of Payments for Surgical Procedures Involving Multiple Providers

July 2026 | Report 2024-S-15
Prepared by the Division of State Government Accountability

Audit Highlights

Objective

To determine whether UnitedHealthcare Insurance Company of New York properly reimbursed surgical claims involving multiple providers. The audit covered the period from January 2019 through June 2024.

About the Program

The New York State Health Insurance Program (NYSHIP), administered by the Department of Civil Service (Civil Service), is one of the nation's largest public sector health insurance programs. NYSHIP covers about 1.2 million active and retired State, participating local government, and school district employees, and their dependents. The Empire Plan is the primary health benefits plan for NYSHIP, covering over 1 million members.

Civil Service contracts with various carriers to administer the Empire Plan. UnitedHealthcare Insurance Company of New York (United) administers the medical/surgical benefit, which covers a range of services, including office visits, diagnostic testing, and surgical procedures. Surgical procedures sometimes require the involvement of multiple medical providers, such as co-surgeons or surgical assistants. Co-surgeons are two or more physicians who work together as primary surgeons, usually with different specialties, performing distinct parts of a surgical procedure. A surgical assistant is either a physician or other qualified health care professional who assists the physician performing the surgical procedure.

United's reimbursement policies require co-surgeons and surgical assistants to report their roles during a surgical procedure to ensure claims are paid appropriately. United has various controls, including electronic edit checks and a medical claim review process, to ensure that claims comply with United's reimbursement policies.

Key Findings

The audit identified nearly $12.5 million in potential overpayments for surgical procedures involving co-surgeons or surgical assistants. About $11.5 million of the potential overpayments were for procedures performed by multiple providers, with at least one provider failing to bill with the appropriate information to identify their role during the procedure. The remaining $988,314 in potential overpayments were at risk of being paid inappropriately because of non-compliance with United's reimbursement policy or other billing issues. United has already reviewed and recovered over $2.8 million of the nearly $12.5 million.

Key Recommendations

- Review the remaining $9.6 million in potential overpayments for surgical procedures involving co-surgeons or surgical assistants and for other billing issues, and recover as warranted.
- Evaluate the effectiveness of existing claim review processes and revise as warranted to detect inappropriate payments to providers who billed incorrectly, as identified in this audit.

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

July 8, 2026

Paula Gazeley Daily, R.Ph.
Vice President, Empire Plan
UnitedHealthcare Insurance Company of New York
13 Cornell Road
Latham, NY 12110

Dear Ms. Gazeley Daily:

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 entitled *UnitedHealthcare: Accuracy of Payments for Surgical Procedures Involving Multiple Providers*. 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
United	UnitedHealthcare Insurance Company of New York	*Auditee*
Civil Service	Department of Civil Service	*Agency*
Co-surgeons	Two or more physicians who work together as primary surgeons performing distinct parts of a surgical procedure	*Key Term*
Empire Plan	Primary health insurance plan for NYSHIP	*Key Term*
NYSHIP	New York State Health Insurance Program	*Program*
Surgical assistant	A physician or other qualified health care professional who assists the physician performing the surgical procedure	*Key Term*

Background

The New York State Health Insurance Program (NYSHIP), administered by the Department of Civil Service (Civil Service), is one of the nation's largest public sector health insurance programs. NYSHIP covers about 1.2 million active and retired State, participating local government, and school district employees, and their dependents. The Empire Plan is the primary health benefits plan for NYSHIP, serving over 1 million members.

Civil Service contracts with various carriers to administer the Empire Plan. The Empire Plan provides its members with four types of health insurance coverage: hospital, prescription drug, mental health and substance use, and medical/surgical, with each coverage provided by a different carrier. UnitedHealthcare Insurance Company of New York (United) administers the medical/surgical benefit, which covers a range of services, including office visits, diagnostic testing, and surgical procedures.

Surgical procedures sometimes require the involvement of multiple medical providers, including co-surgeons and surgical assistants. Co-surgeons are two or more physicians who work together as primary surgeons, usually with different specialties, performing distinct parts of a surgical procedure. A physician is a Doctor of Medicine (MD) or Doctor of Osteopathic Medicine (DO). A surgical assistant is either a physician or other qualified health care professional, such as a physician assistant, clinical nurse specialist, or nurse practitioner, who does not have an MD or DO degree/designation, who assists the physician performing the surgical procedure.

According to United's payment policy, providers are required to include the correct procedure modifier on their claim to ensure proper reimbursement when multiple providers perform a surgical procedure. The modifier informs United's claims processing system of each provider's role, which United uses to determine the allowed amount—the reimbursement amount after considering all factors on the claim. For example, when a modifier is reported, payment is based on a percentage of the allowed amount, typically ranging from 20–60% of the allowed amount.

United has various controls, such as electronic edit checks and a medical claim review process, to ensure claims comply with United's reimbursement policies. United's medical claim review process involves examining the patient's diagnosis, procedure performed, and medical notes for the surgery. United officials stated that all surgical assistant claims are reviewed if billed for a surgical procedure that is not eligible for surgical assistant reimbursement, to determine if exceptions apply that could allow reimbursement. Co-surgeon claims are reviewed only if the procedure itself requires a medical claim review, regardless of the submitted modifier.

For the period from January 2019 through June 2024, United paid $486 million for claims indicating surgical procedures were performed by co-surgeons or surgical assistants where a procedure modifier was billed.

Audit Findings and Recommendations

During the audit period, United made nearly $12.5 million in potential overpayments for surgical procedures that were not paid in accordance with its reimbursement policies. For example, we found that United made potential overpayments of about $11.5 million for surgical procedures billed by multiple providers, with at least one provider failing to bill with the appropriate information to identify their role during the procedure—which would have reduced their payment. The remaining $988,314 in potential overpayments were at risk of being paid inappropriately because of non-compliance with United's reimbursement policy or other billing issues.

United has already reviewed and confirmed that over $2.8 million of the nearly $12.5 million has been recovered.

Claims Missing the Appropriate Modifiers

United's reimbursement policies require co-surgeons and surgical assistants to bill with the appropriate modifier to specify their roles during a surgical procedure. We estimated an overpayment of $11.5 million for claims in which providers did not bill with the appropriate modifier. Of the $11.5 million, United has recovered over $2.8 million in overpayments.

The following is an example from our findings. Two providers billed for a spinal procedure to remove a herniated disc—one provider used the co-surgeon modifier and the other did not. The provider (not participating in the Empire Plan network) who did not include the co-surgeon modifier was originally paid $54,696. The claim was reprocessed with the appropriate reduction for the co-surgeon modifier, resulting in a new payment of $32,818 for the service and a recovery of $21,878 for this claim.

United has system edits to detect improper payments for services billed with a co-surgeon or surgical assistant modifier that are ineligible for reimbursement. However, there are no edits to detect incorrect payments made to multiple providers who did not bill with the proper modifier. United is exploring solutions to identify these cases during both pre- and post-claim processing. Additionally, United should remind providers of the requirement to bill the correct modifier when multiple providers perform a surgical procedure.

Other Billing Issues

We also identified $988,314 in potential overpayments for various billing issues. Of the $988,314, United has recovered $57,448.

A surgical assistant is either a physician or other qualified health care professional who assists the primary surgeon during the surgical procedure. We identified $624,378 in potential overpayments for services involving surgical assistants because a primary surgeon did not also

bill. Without the primary surgeon's billing, we question the validity of the payment made for the surgical assistant's services.

United's reimbursement policies specify that only one surgical assistant is eligible for reimbursement per procedure. Additionally, United does not reimburse surgical assistant services if reimbursement has already been provided for co-surgeons, nor does it reimburse co-surgeons and surgical assistants for service codes that do not allow such reimbursement—unless a medical claim review determines that exceptions apply. We identified potential overpayments totaling $276,375 for services that meet these criteria. For example, United paid $74,000 for two surgical assistants involved in a spinal fusion surgery. Because United's policy permits reimbursement for only one surgical assistant and there were no medical claim reviews that approved paying for an additional assistant, we estimated an overpayment of $32,000.

United officials also confirmed $87,561 in overpayments for co-surgeon and surgical assistant services. They explained that these errors occurred because claim processors did not properly deny the surgical services after medical claim review, did not apply further reductions for multiple procedures performed on the same patient by the same physician group on the same day, or did not follow United's reimbursement policies. United has already recovered $57,448 of this amount.

Recommendations

1. Review the remaining $8.7 million ($11.5 million - $2.8 million) in potential overpayments for claims missing the appropriate modifiers and recover as warranted.
2. Remind providers of United's reimbursement policies for co-surgeon and surgical assistant services, including the requirement to bill with the correct modifier when multiple providers perform a surgical procedure.
3. Review the $930,866 ($988,314 - $57,448) in potential overpayments related to other billing issues and recover as warranted.
4. Evaluate the effectiveness of existing claim review processes and revise as warranted to detect inappropriate payments to providers who billed incorrectly, as identified in this audit.

Audit Objective, Scope, and Methodology

The objective of our audit was to determine whether United properly reimbursed surgical claims involving multiple providers. The audit covered the period from January 2019 through June 2024.

To accomplish our objective and assess related internal controls, we reviewed United's reimbursement policies, interviewed United officials, reviewed support for United's claim reviews, and verified claim adjustments made by United.

We used a non-statistical sampling approach to provide conclusions on our audit objective and to test internal controls and compliance. We selected a judgmental sample. However, because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations. Our sample included:

- A judgmental sample of 137 high-paying surgical procedures out of 6,644 surgical procedures performed by multiple providers, in which one or more providers did not bill with an appropriate modifier to identify their role during the procedure. We tested whether these payments lacked an appropriate modifier and were therefore overpaid.

We obtained data from United and assessed the reliability of that data by reviewing existing information, interviewing officials knowledgeable about the system, and tracing to and from source data. We determined that the data from United was sufficiently reliable for the purposes of this report.

Statutory Requirements

Authority

The audit was performed 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 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 the 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 United's payments for surgical procedures involving multiple providers.

Reporting Requirements

We provided preliminary reports of our audit observations to United officials for their review and comment. Their comments were considered in preparing this final report. United officials generally agreed with the report's findings, conclusions, and recommendations.

Within 180 days after the final release of this report, we request that UnitedHealthcare Insurance Company of New York officials report to the State Comptroller, advising what steps were taken to implement the recommendations contained in this report, and where recommendations were not implemented, the reasons why.

Contact

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