

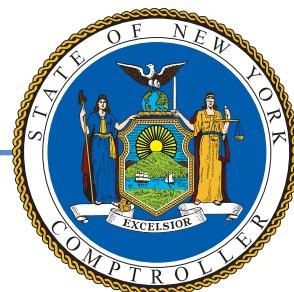
New York State Health Insurance Program

Improper Payments Related to the Center of Excellence for Cancer Program

Report 2024-S-7 | January 2026

OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

Division of State Government Accountability



Audit Highlights

Objective

To determine whether sufficient controls are in place to prevent multiple payments for the same services related to the Center of Excellence for Cancer Program (Cancer Program). The audit covered claims with a date of service during the period from January 2019 through December 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 provides coverage for 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.

Anthem Blue Cross (Anthem) administers the Empire Plan's Hospital Program, which provides coverage for inpatient and outpatient services provided by a hospital, skilled nursing facility, or hospice. UnitedHealthcare Insurance Company of New York (United) administers the Medical/Surgical Program, which covers a range of services, including but not limited to, office visits and diagnostic testing.

United also administers the Center of Excellence for Cancer Program (Cancer Program), a select group of providers recognized as leaders in the field of cancer treatment, which provides paid-in-full benefits for covered services with no copayment for enrolled members. United is responsible for paying cancer-related expenses under the Cancer Program, including hospital services typically paid by Anthem.

Key Findings

We found that inadequate controls led Anthem and United to make multiple payments to health care providers for the same services related to the Cancer Program. Consequently, we identified \$18.1 million in Anthem payments for services also paid for by United on behalf of members enrolled in the Cancer Program. Of this amount, \$8.7 million has been remitted to Civil Service; \$7.1 million in payments still require a review to determine which payment (Anthem's or United's) should be remitted to Civil Service; and \$2.3 million has not been remitted to Civil Service despite providers reporting refunding the improper payments.

As a result of our audit, Civil Service issued a directive stating that United will process all claims related to the Cancer Program, regardless of the reported medical condition, for services provided after December 31, 2025.

Key Recommendations

- Review the nearly \$9.4 million in improper payments identified by this audit, make recoveries, and remit them to Civil Service as appropriate.
- Implement the Civil Service directive so that only United processes claims related to the Cancer Program.



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

January 27, 2026

Jason O'Malley
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Paula Gazeley Daily, R.Ph.
Vice President, Empire Plan
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Dear Mr. O'Malley and 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 of the New York State Health Insurance Program entitled *Improper Payments Related to the Center of Excellence for Cancer Program*. 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
Anthem	Anthem Blue Cross	<i>Auditee</i>
United	UnitedHealthcare Insurance Company of New York	<i>Auditee</i>
Civil Service	Department of Civil Service	<i>Agency</i>
Empire Plan	Primary health insurance plan for NYSHIP	<i>Key Term</i>
NYSHIP	New York State Health Insurance Program	<i>Program</i>
Cancer Program	Center of Excellence for Cancer Program – Specialty program within the Empire Plan that provides enhanced benefits through a select group of providers	<i>Key Term</i>

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, providing its over 1 million members with four types of health insurance coverage: hospital, medical/surgical, prescription drug, and mental health and substance use.

Anthem Blue Cross (Anthem) administers the Empire Plan's Hospital Program, which provides coverage for inpatient and outpatient services provided by a hospital, skilled nursing facility, or hospice. UnitedHealthcare Insurance Company of New York (United) administers the Medical/Surgical Program, which covers a range of services, including but not limited to, office visits and diagnostic testing.

United also administers the Center of Excellence for Cancer Program (Cancer Program), a select group of providers recognized as leaders in the field of cancer treatment. The Cancer Program provides paid-in-full benefits for covered services with no copayment required for members enrolled in the program. United is responsible for paying cancer-related expenses under the Cancer Program, including hospital services typically paid by Anthem.

United shares Cancer Program member enrollment information, such as member name and enrollment date, with Anthem weekly to ensure claims are paid by the appropriate party, thereby reducing the likelihood of improper payments.

Audit Findings and Recommendations

We found that inadequate controls led Anthem and United to make multiple payments to health care providers for the same Cancer Program services. For example, Anthem and United use different criteria to determine who is responsible for paying these claims. Consequently, we identified \$18.1 million in Anthem payments for services also paid for by United on behalf of members enrolled in the Cancer Program. Of this amount, \$8.7 million has been remitted to Civil Service; \$7.1 million in payments still require a review to determine which payment (Anthem's or United's) should be remitted to Civil Service; and \$2.3 million has not been remitted to Civil Service despite providers reporting refunding the improper payments.

Improper Cancer Program Payments

We found that Anthem made nearly \$46.5 million in improper payments from January 2019 through December 2024 for Cancer Program services also paid by United. Of these payments, \$28.4 million had been recovered by Anthem and remitted to Civil Service before our audit. Of the remaining \$18.1 million identified by this audit, we determined as of September 2025:

- \$8.7 million has been remitted to Civil Service.
- \$7.1 million in payments still require a review to determine which payment (Anthem's or United's) should be remitted to Civil Service.
- \$2.3 million has not been remitted to Civil Service despite providers reporting refunding the improper payments.

Anthem officials believe it is Anthem's responsibility to pay for claims for members enrolled in the Cancer Program, even when the member receives services at their enrolled Center of Excellence facility, if they determine the visit is not for cancer-related services. Although claims have multiple fields that may be used to determine if a claim is cancer-related, Anthem relies on a single field, the primary diagnosis billed, to determine payment responsibility. Conversely, as administrator of the Cancer Program, United assumes responsibility for paying for all services provided to members at the Center of Excellence. We determined the use of different criteria to determine payment responsibility likely contributed to improper payments.

In August 2025, as a result of our audit, Civil Service issued a directive stating that United will process all claims related to the Cancer Program for services provided after December 31, 2025, regardless of the reported medical condition. This addresses part of the cause of improper payments. However, accurate enrollment information is essential for correctly assigning claim payment responsibility and reducing improper payments. United shares Cancer Program member enrollment information with Anthem officials weekly, which they use to help establish payment responsibility. We compared the Cancer Program member enrollment information maintained by both Anthem and United and found some members appeared on one list but not the other. This inconsistency may have contributed to improper payments. Additionally, members may be enrolled in the Cancer Program after beginning cancer treatment, making it difficult for providers to determine which carrier is responsible for payment. Sharing the new directive with providers should help clarify that United is responsible for reimbursing all services related to the Cancer Program.

Recommendations

1. Review the \$9.4 million (\$7.1 million + \$2.3 million) in improper payments identified by this audit, make recoveries, and remit them to Civil Service as appropriate.
2. Implement the Civil Service directive so that only United processes claims related to the Cancer Program.
3. Educate providers on proper billing for services related to the Cancer Program, including sharing the Civil Service directive, to reduce improper payments.
4. Establish a reconciliation process to ensure Anthem and United use the same Cancer Program enrollment information.

Audit Objective, Scope, and Methodology

The objective of our audit was to determine whether sufficient controls are in place to prevent multiple payments for the same services related to the Center of Excellence for Cancer Program (Cancer Program). The audit covered claims with a date of service during the period from January 2019 through December 2024.

To accomplish our objective and assess related internal controls, we interviewed officials from Civil Service, Anthem, and United. We also spoke with officials from one Cancer Program provider to gain an understanding of how improper payments occur. Additionally, we reviewed Civil Service, Anthem, and United guidelines for both the NYSHIP program in general and the Cancer Program specifically. We analyzed Anthem and United claims data to identify multiple payments for the same services related to the Cancer Program.

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

- A judgmental sample of 15 of 3,405 member service dates from the highest-paid acute care provider, based on a threshold of \$1,000, where there were payments from both Anthem and United for the same service date.
- A judgmental sample of 85 of 21,317 member service dates from the three highest-paid providers, based on a threshold of \$1,000, where there were payments from both Anthem and United for the same service date.

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

Statutory Requirements

Authority

This 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 improper payments related to the Center of Excellence for Cancer Program.

Reporting Requirements

We provided preliminary reports of our audit observations to Anthem and United officials for their review and comment. Their comments were considered in preparing this final report.

Within 180 days after the final release of this report, we request that Anthem and United 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.

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