



Department of Health

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Commissioner

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Executive Deputy Commissioner

April 13th, 2021

Ms. Andrea Inman
Audit Director
Division of State Government Accountability
NYS Office of the State Comptroller
110 State Street, 11th Floor
Albany, New York 12236

Dear Ms. Inman:

Pursuant to the provisions of Section 170 of New York State Executive Law, I hereby transmit to you a copy of the New York State Department of Health's comments related to the Office of the State Comptroller's final audit report 2019-S-53 entitled, "Medicaid Program: Claims Processing Activity October 1, 2019 Through March 31, 2020."

Please feel free to contact Michelle Newman, Assistant Commissioner, Office of Governmental and External Affairs at (518) 473-1124 with any questions.

Sincerely,

Theresa Egan
Deputy Commissioner for Administration

Enclosure

cc: Ms. Newman

**Department of Health Comments on the
Office of the State Comptroller's
Final Audit Report 2019-S-53 entitled, "Medicaid Program: Claims
Processing Activity October 1, 2019 Through March 31, 2020"**

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Final Audit Report 2019-S-53 entitled, "Medicaid Program: Claims Processing Activity October 1, 2019 Through March 31, 2020."

Recommendation #1:

Review the \$120,101 in overpayments and make recoveries, as appropriate.

Response #1:

The Office of the Medicaid Inspector General (OMIG) has previously performed audits of alternate levels of care. OMIG performs its own extraction of data from the Medicaid Data Warehouse (MDW), which may include those OSC-identified overpayments not already adjusted or recovered, to ensure the data used by OSC is complete and to confirm the accuracy of the claims detail for use in OMIG audit activities. OMIG is in the process of pursuing recovery of payments it determines to be inappropriate as a result of that analysis. Pursuant to State regulations, any identified overpayments OMIG pursues for recovery are subject to the provider's right to due process.

Recommendation #2:

Formally advise the hospitals to accurately report alternate levels of patient care when billing Medicaid to ensure appropriate payment.

Response #2:

The Department published a Medicaid Update reminder in June 2020 entitled *Billing Guidance for Reporting Alternate Level of Care*, which addresses the OSC recommendation and applies to hospitals. The article can be found in Volume 36 - Number 11:
https://www.health.ny.gov/health_care/medicaid/program/update/2020/no11_2020-06.htm#alc

Recommendation #3:

Formally advise the MCOs and hospitals to accurately report newborn claim information when billing Medicaid to ensure appropriate payment.

Response #3:

The Department published a Medicaid Update reminder in June 2020 entitled *Billing Guidance for Reporting Newborn Birth Weights*, which addresses the OSC recommendation and applies to MCOs. The article can be found in Volume 36 - Number 11:
https://www.health.ny.gov/health_care/medicaid/program/update/2020/no11_2020-06.htm#newborn

Recommendation #4:

Review the \$289,761 in overpayments and make recoveries, as appropriate.

Response #4:

OMIG has previously performed audits of other insurance claims. OMIG performs its own extraction of data from the MDW, which may include those OSC-identified overpayments not already adjusted or recovered, to ensure the data used by OSC is complete and to confirm the accuracy of the claims detail for use in OMIG audit activities. OMIG is in the process of pursuing recovery of payments it determines to be inappropriate as a result of that analysis. Pursuant to State regulations, any identified overpayments OMIG pursues for recovery are subject to the provider's right to due process.

Recommendation #5:

Remind providers of their obligation to bill all applicable third parties that may be liable for a claim before billing Medicaid.

Response #5:

The Department issued a Medicaid Update reminder in July 2020 entitled *Reminder to Providers: New York State Medicaid Requires Coordination of Benefits*, which address the OSC recommendation and applies to providers. The article can be found in Volume 36 - Number 12: https://www.health.ny.gov/health_care/medicaid/program/update/2020/no12_2020-07.htm#cob

Recommendation #6:

Review the \$152,715 (\$89,093 + \$15,328 + \$8,569 + \$17,707 + \$22,018) in overpayments and make recoveries, as appropriate.

Response #6:

OMIG has previously performed audits of clinic, practitioner, inpatient, and pharmacy claims. OMIG performs its own extraction of data from the MDW, which may include those OSC-identified overpayments not already adjusted or recovered, to ensure the data used by OSC is complete and to confirm the accuracy of the claims detail for use in OMIG audit activities. OMIG is in the process of pursuing recovery of payments it determines to be inappropriate as a result of that analysis. Pursuant to State regulations, any identified overpayments OMIG pursues for recovery are subject to the provider's right to due process.

Recommendation #7:

Review the \$118,124 in overpayments and make recoveries, as appropriate.

Response #7:

OMIG is currently in the process of updating the Comprehensive Psychiatric Emergency Program (CPEP) audit protocols, which will address the findings in this report. Once the protocols are completed, OMIG will perform its own extraction of data from the MDW, which may include those OSC-identified overpayments not already adjusted or recovered, to ensure the data used by OSC is complete and to confirm the accuracy of the claims detail for use in OMIG audit activities. Once the analysis is completed, OMIG will pursue recovery of payments it

determines to be inappropriate. Pursuant to State regulations, any identified overpayments OMIG pursues for recovery are subject to the provider's right to due process.

Recommendation #8:

Ensure the implemented eMedNY system controls prevent multiple CPEP payments for an individual episode of care and prevent CPEP claims from being paid for the same date of service as a psychiatric inpatient admission.

Response #8:

The Office of Mental Health (OMH) worked with the Department to update the process for billing CPEP to prevent multiple CPEP evaluation payments for an individual episode of care, and to ensure that CPEP claims are not paid for the same date of service as a psychiatric inpatient admission. Effective on January 1, 2019, the Department implemented a change to eMedNY to update the rate type for rate codes 4007 and 4008 to a "monthly" rate type on May 6, 2019, which prevents the double payment issue.

Recommendation #9:

Review the \$95,744 (\$66,075 + \$5,198 + \$24,471) in overpayments and make recoveries, as appropriate.

Response #9:

OMIG has previously performed audits of certified home health agency episodic payment claims. OMIG has audit protocols which address the findings in this report. OMIG performs its own extraction of data from the MDW, which may include those OSC-identified overpayments not already adjusted or recovered, to ensure the data used by OSC is complete and to confirm the accuracy of the claims detail for use in OMIG audit activities. OMIG is in the process of pursuing recovery of payments it determines to be inappropriate as a result of that analysis. Pursuant to State regulations, any identified overpayments OMIG pursues for recovery are subject to the provider's right to due process.

Recommendation #10:

Determine the status of the remaining provider relating to their future participation in the Medicaid program.

Response #10:

The remaining provider has been excluded from the Medicaid program.

OSC Comment #1 (Refers to Response #8):

We found several of the claims in our findings were for services after the effective date of the process change cited by the Department. As such, the Department still needs to take action to implement this recommendation.

Response to Comment #1:

The Department and OMH reviewed the 10 claims identified in the report by OSC and uncovered that the process change is working as intended, with very minimal exceptions. This determination is borne out by the following claim-by-claim review findings:

- Four instances where the claim in question occurred prior to the effective date of the change detailed in response #8 (1/1/2019);
- 65 instances where the claim was corrected by a rate code type change for one provider, which occurred after the initial rate transmittal;
- 19 instances of claims with overlapping rate code 4008 and rate code 2852 dates of service. Those utilizing rate code 4008 should be allowed. Additionally, the category of service for rate code 4008 was changed to “outpatient” in mid-2019, and eMedNY edit 02286 prevents duplicate payment of rate codes 4008 and 4049/2852 for the same date of services, which corrects this issue going forward;
- Four instances where multiple claims exist which would only be allowable if they were separate episodes. This issue requires further review by OMH;
- One instance where the “additional CPEP day identified” was a retro increment due to a rate change; and
- 17 instances where the claim could not be found in the MDW.

OMH will continue to research the four instances identified above as requiring further review.