



Department
of Health

KATHY HOCHUL
Governor

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

KRISTIN M. PROUD
Acting Executive Deputy Commissioner

October 5, 2022

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

Dear Andrea Inman:

Enclosed are the Department of Health's comments on the Office of the State Comptroller's Follow-Up Audit Report, **2022-F-14** entitled, "Cost Saving Opportunities on Payments of Medicare Part C Claims" (Report 2020-S-65).

Thank you for the opportunity to comment.

Sincerely,

Kristin M. Proud
Acting Executive Deputy Commissioner

Enclosure

cc: Diane Christensen
Amir Bassiri
Geza Hrazdina
Andrea Martin
James Dematteo
James Cataldo
Amber Rohan
Brian Kiernan
Timothy Brown
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**Department of Health Comments on the
Office of the State Comptroller’s Follow-Up Audit Report
2022-F-14 entitled, “Cost Saving Opportunities on Payments of
Medicare Part C Claims” (Report 2020-S-65)**

The following are the responses from the New York State Department of Health (Department) to Follow-Up Audit Report 2022-F-14 entitled, “Cost Saving Opportunities on Payments of Medicare Part C Claims” by the Office of the State Comptroller (OSC).

Recommendation #1:

Formally re-evaluate the existing Medicaid methodology for processing and paying Medicare Part C cost-sharing liabilities (including the necessity of exemptions to payment limitations for ambulance, psychology, and inpatient services), and engage other stakeholders, as appropriate.

Status – Not Implemented

Agency Action – According to Department officials, the Department has taken no actions and are unaware of any plans to implement the recommendation from the original audit. As such, the Department has not pursued any proactive actions since the Social Services Law §367-a (SSL 367-a) was changed in 2016. We strongly encourage the Department to reconsider this recommendation and formally re-evaluate the existing Medicaid methodology for processing and paying Medicare Part C cost-sharing liabilities.

Response #1:

The Department previously made the budgetary cost savings recommendation(s) to modify the Medicaid reimbursement methodology for Medicare Part-C cost-sharing liabilities. The aforementioned cost-saving budget proposal submitted by the Department was ultimately rejected by the NYS Legislature when they implemented the 85% Medicare Part-C Coinsurance rule (SSL 367-a); no further action by the Department has been pursued as a result.