Report in Brief
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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

New York State Improperly Claimed Medicaid Reimbursement for Some Managed Long-Term Care Payments

Why OIG Did This Review

Recent investigations of a New York Medicaid Managed Long-Term Care (MLTC) plan identified significant vulnerabilities in the MLTC program. In addition, OIG reviews of certain Medicaid services in New York identified this area as being at high risk for improper payments.

In New York, MLTC plans under contract with the State receive fixed monthly payments to provide services to Medicaid beneficiaries who are chronically ill or disabled and who wish to stay in their homes and communities. In return, the plans agree to the terms of New York's MLTC contract, which was approved by the Centers for Medicare & Medicaid Services (CMS). During State fiscal year (SFY) 2014, New York claimed Medicaid reimbursement totaling $4.8 billion ($2.4 billion Federal share) for its MLTC program.

Our objective was to determine whether New York's claims for Medicaid reimbursement for monthly payments made for enrolled beneficiaries to MLTC plans complied with certain Federal and State requirements.

How OIG Did This Review

We reviewed a random sample of 100 payments that New York made to MLTC plans during SFY 2014. We also consulted with CMS physicians to determine whether the beneficiaries associated with these payments received adequate service planning and care management.

What OIG Found

New York improperly claimed reimbursement for 36 of 100 payments made to MLTC plans. Specifically, New York did not ensure that MLTC plans documented eligibility assessments of program applicants and reassessments of those already in the program, and conducted these assessments in a timely manner. New York also did not ensure that the plans provided services to beneficiaries according to a written care plan. Further, New York did not ensure that the plans enrolled and retained only those beneficiaries who required community-based services, and disenrolled beneficiaries who requested disenrollment in a timely manner.

In addition, CMS physicians found that for 71 beneficiaries associated with the payments we reviewed, the beneficiaries' MLTC plans did not comply with New York's contract requirements for service planning and care management. As a result, there could have been health and safety risks to these beneficiaries. We provided New York with the physicians' findings related to the 71 beneficiaries.

What OIG Recommends and New York Comments

We recommend that New York develop procedures to monitor MLTC plans for compliance with Federal and State requirements detailed in its contract, including requirements for adequate service planning and care management. We also recommend that New York ensure that future contracts include provisions that allow it to recover payments when plans do not comply with contract requirements. This measure could have saved the Medicaid program $1.4 billion ($717 million Federal share) during our 1-year audit period.

New York did not indicate concurrence or nonconcurrence with our recommendations. However, New York described steps that it has taken to improve its monitoring of the MLTC plans and indicated that it is developing a new contract that will include enhancements to address our concerns. New York took exception to our statement that it could have achieved Medicaid cost savings because, during our audit period, New York was not required to include our recommended provisions in its MLTC contracts. We maintain that our recommendations are valid. Although the MLTC contracts did not contain provisions that would have allowed New York to recover premium payments when MLTC plans did not comply with contract requirements, we found that such provisions, if included in the contracts, could have achieved savings during our audit period.

The full report can be found at https://oig.hhs.gov/oas/reports/region2/21501026.asp