

## Report in Brief

Date: March 2022

Report No. A-02-19-01017

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



### Why OIG Did This Audit

A 2018 Government Accountability Office report found that improved Centers for Medicare & Medicaid Services oversight of State monitoring of Medicaid assisted living services was needed. We audited New York's Medicaid assisted living program (ALP) to determine whether its oversight and monitoring of ALP providers was effective because we have not conducted an audit of the program since 2006.

In New York, beneficiaries receiving ALP services generally require supervision and personal care to carry out basic activities of daily living. ALP providers must meet New York's life safety and emergency planning requirements.

Our objectives were to determine whether New York verified that ALP providers met life safety and emergency planning requirements for providing Medicaid services and claimed reimbursement for ALP services in accordance with Federal and State requirements.

### How OIG Did This Audit

We conducted site visits at five ALP providers to review New York's monitoring and oversight of ALP providers' compliance with life safety and emergency planning requirements. Our audit covered 195,373 beneficiary-months of ALP services with Federal Medicaid payments totaling \$244 million for calendar years 2017 through 2018 (audit period). We audited a random sample of 100 beneficiary-months of ALP services.

## New York Verified That Medicaid Assisted Living Program Providers Met Life Safety and Emergency Planning Requirements But Did Not Always Ensure That Assisted Living Program Services Met Federal and State Requirements

### What OIG Found

New York verified that life safety and emergency planning requirements were met at the five judgmentally selected ALP providers we visited. However, it claimed reimbursement for some unallowable ALP services during our random sample of 100 beneficiary-months. Specifically, New York properly claimed Medicaid reimbursement for all ALP services during 91 beneficiary-months and claimed reimbursement for unallowable ALP services during the remaining 9 beneficiary-months. These deficiencies occurred because New York's monitoring was not sufficient to ensure that ALP providers complied with certain Federal and State requirements for providing, documenting, and billing services. Despite New York's efforts, some ALP providers did not comply with the requirements for (1) documenting beneficiary assessments and care plans and (2) claiming reimbursement only for services in accordance with Medicaid billing requirements and beneficiary care plans.

On the basis of our sample results, we estimated that New York improperly claimed at least \$1.9 million in Federal Medicaid reimbursement for ALP services during our audit period. In addition, the health and safety of some Medicaid beneficiaries may have been put at risk because their assessments and care plans were not valid or were missing, and some nurse's aides' qualifications were not documented. As a result, beneficiaries may have (1) not received ALP services that they were entitled to, (2) received services that were not needed, or (3) received services from some nurse's aides that were not qualified to perform the services furnished.

### What OIG Recommends and New York Comments

We recommend that New York refund \$1.9 million to the Federal Government. We also made a series of recommendations for New York to strengthen its oversight and monitoring of its ALP to ensure that providers comply with Federal and State requirements.

In written comments on our draft report, New York did not indicate concurrence or nonconcurrence with our recommendations; however, it provided additional documentation regarding some ALP services. After reviewing New York's comments and the additional documentation, we revised our findings and estimates accordingly. The State agency also stated that it currently performs oversight and monitoring of the ALPs that reflect our recommendations. We maintain that our findings, as revised, are valid.