



SEP 18 2009

**TO:** Charlene Frizzera  
Acting Administrator  
Centers for Medicare & Medicaid Services

**FROM:** *for*   
Joseph E. Vengrin  
Deputy Inspector General for Audit Services

**SUBJECT:** Review of Family Planning Claims Submitted by Selected Providers Under the New York State Medicaid Program (A-02-09-01015)

Attached is an advance copy of our final report on our review of family planning claims submitted by selected providers under the New York State Medicaid program. We will issue this report to the State within 5 business days.

Our objective was to determine whether the State properly claimed enhanced 90-percent Federal reimbursement for planning claims submitted by selected providers.

New York State improperly claimed enhanced 90-percent Federal reimbursement for family planning claims submitted by selected providers. Of the 105 claims in our sample, 50 qualified as family planning services and could be claimed at the enhanced 90-percent Federal reimbursement rate. However, the remaining 55 could not be claimed as family planning services. Of those 55 claims, 51 were for services unrelated to family planning and 4 lacked documentation. Based on our sample results, we estimate that the State received \$3,773,506 in unallowable Federal Medicaid reimbursement. This overpayment occurred because selected providers incorrectly claimed services as family planning and the State's Medicaid Management Information System (MMIS) edit routines did not adequately identify claims unrelated to family planning.

We recommend that the State:

- refund \$3,773,506 to the Federal Government and
- consider the results of this review in its evaluation of our prior recommendations to ensure that providers only bill as family planning those services directly related to family planning and ensure that MMIS edits appropriately identify claims that are ineligible for enhanced 90-percent Federal reimbursement.

In its comments on our draft report, the State agreed with our recommendations and described corrective actions that it planned to take.

If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact George M. Reeb, Assistant Inspector General for the Centers for Medicare & Medicaid Audits, at (410) 786-7104 or through email at [George.Reeb@oig.hhs.gov](mailto:George.Reeb@oig.hhs.gov) or James P. Edert, Regional Inspector General for Audit Services, Region II, at (212) 264-4620 or through email at [James.Edert@oig.hhs.gov](mailto:James.Edert@oig.hhs.gov). Please refer to report number A-02-09-01015 in all correspondence.

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office Of Inspector General  
Office Of Audit Services

SEP 23 2009

Report Number: A-02-09-01015

Region II  
Jacob K. Javits Federal Building  
26 Federal Plaza  
New York, NY 10278

Richard F. Daines, M.D.  
Commissioner  
New York State Department of Health  
14<sup>th</sup> Floor, Corning Tower  
Empire State Plaza  
Albany, New York 12237

Dear Dr. Daines:

Enclosed is the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), final report entitled "Review of Family Planning Claims Submitted by Selected Providers Under the New York State Medicaid Program." We will forward a copy of this report to the HHS action official noted on the following page for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to this official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, OIG reports generally are made available to the public to the extent that information in the report is not subject to exemptions in the Act. Accordingly, this report will be posted on the Internet at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please do not hesitate to call me, or contact John Berbach, Audit Manager, at (518) 437-9390, extension 228, or through email at [John.Berbach@oig.hhs.gov](mailto:John.Berbach@oig.hhs.gov). Please refer to report number A-02-09-01015 in all correspondence.

Sincerely,

James P. Edert  
Regional Inspector General  
for Audit Services

Enclosure

**Direct Reply to HHS Action Official:**

Ms. Jackie Garner  
Consortium Administrator  
Consortium for Medicaid and Children's Health Operations  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF FAMILY PLANNING  
CLAIMS SUBMITTED BY  
SELECTED PROVIDERS  
UNDER THE NEW YORK STATE  
MEDICAID PROGRAM**



Daniel R. Levinson  
Inspector General

September 2009  
A-02-09-01015

# *Office of Inspector General*

<http://oig.hhs.gov>

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Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, Office of Inspector General reports generally are made available to the public to the extent that information in the report is not subject to exemptions in the Act.

## **OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Pursuant to Title XIX of the Social Security Act (the Act), the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the Medicaid program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements.

The Federal share of the Medicaid program is determined by the Federal medical assistance percentage (FMAP). During our audit period (April 1, 2007, through September 30, 2008), the FMAP in New York State was 50 percent. Section 1903(a)(5) of the Act and 42 CFR §§ 433.10 and 433.15 provide enhanced 90-percent Federal reimbursement for family planning services. Pursuant to section 4270 of the CMS “State Medicaid Manual,” family planning services prevent or delay pregnancy or otherwise control family size.

In a prior audit report entitled “Review of Clinic and Practitioner Claims Billed as Family Planning Services Under the New York State Medicaid Program” (A-02-07-01037, November 2008), we made two procedural recommendations to the State that providers only bill as family planning those services directly related to family planning and ensure that edits within their Medicaid Management Information System appropriately identify claims that are eligible for enhanced 90-percent Federal reimbursement. In its comments on our draft report, the State generally concurred with these two recommendations.

### **OBJECTIVE**

Our objective was to determine whether the State properly claimed enhanced 90-percent Federal reimbursement for family planning claims submitted by selected providers.

### **SUMMARY OF FINDINGS**

New York State improperly claimed enhanced 90-percent Federal reimbursement for family planning claims submitted by selected providers. Of the 105 claims in our sample, 50 qualified as family planning services and could be claimed at the enhanced 90-percent Federal reimbursement rate. However, the remaining 55 could not be claimed as family planning services. Of those 55 claims, 51 were for services unrelated to family planning and 4 lacked documentation. Based on our sample results, we estimate that the State received \$3,773,506 in unallowable Federal Medicaid reimbursement. This overpayment occurred because selected providers incorrectly claimed services as family planning and the State’s Medicaid Management Information System (MMIS) edit routines did not adequately identify claims unrelated to family planning.

## **RECOMMENDATIONS**

We recommend that the State:

- refund \$3,773,506 to the Federal Government and
- consider the results of this review in its evaluation of our prior recommendations to ensure that providers only bill as family planning those services directly related to family planning and ensure that MMIS edits appropriately identify claims that are ineligible for enhanced 90-percent Federal reimbursement.

## **NEW YORK STATE COMMENTS**

In its comments on our draft report, the State agreed with our recommendations and described corrective actions that it planned to take. The State's comments are included in their entirety as Appendix C.

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## **INTRODUCTION**

### **BACKGROUND**

#### **Medicaid Program**

Pursuant to Title XIX of the Social Security Act (the Act), the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements.

#### **New York State Medicaid Program**

In New York State, the Department of Health (DOH) is the State agency responsible for operating the Medicaid program. Within the DOH, the Office of Medicaid Management administers the Medicaid program. DOH uses the Medicaid Management Information System (MMIS), a computerized payment and information reporting system, to process and pay Medicaid claims.

The Federal share of the Medicaid program is determined by the Federal medical assistance percentage (FMAP). During our audit period (April 1, 2007, through September 30, 2008), the FMAP in New York State was 50 percent.

#### **Medicaid Coverage of Family Planning Services**

Section 1905(a)(4)(C) of the Act requires States to furnish family planning services and supplies to individuals of childbearing age who are eligible under the State plan and who desire such services and supplies. Section 1903(a)(5) of the Act and 42 CFR §§ 433.10(c)(1) and 433.15(b)(2) authorize enhanced 90-percent Federal reimbursement for family planning services.

According to section 4270 of the CMS “State Medicaid Manual” (the manual), family planning services prevent or delay pregnancy or otherwise control family size. In addition, this section generally permits an enhanced 90-percent rate of Federal reimbursement for counseling services and patient education; examination and treatment by medical professionals pursuant to States’ requirements; devices to prevent conception; and infertility services, including sterilization reversals. The manual further says that an abortion may not be claimed as a family planning service. Only items and procedures clearly furnished or provided for family planning purposes may be claimed at the enhanced 90-percent rate of reimbursement.

On January 30, 1991, CMS issued Financial Management Review Guide Number 20 (the guide), entitled “Family Planning Services,” to the State via Medicaid State Operations Letter 91-9. The guide states that any procedure provided to a woman known to be pregnant may not be considered a family planning service reimbursable at the enhanced 90-percent Federal rate of reimbursement.

Likewise, tests and procedures performed during pregnancy, regardless of their purpose or intent, are not considered family planning services eligible for the enhanced 90-percent Federal rate of reimbursement. Updates to the CMS guide in 1993, 1997, and 2002 contained the same provisions.

The State's Medicaid State plan says that family planning services and supplies for individuals of childbearing age are covered without limitations. The State's regulations define family planning services as the offering, arranging, and furnishing of those health services that enable individuals, including minors who may be sexually active, to prevent or reduce the incidence of unwanted pregnancies. The regulations state that such services include professional medical counseling services; prescription drugs; nonprescription drugs and medical supplies prescribed by a qualified physician, nurse practitioner, or physician's assistant; and sterilizations.<sup>1</sup>

### **Medicaid Management Information System**

Providers enrolled in the Medicaid program submit claims for payment to the State's MMIS. The State furnishes to providers an MMIS provider manual that contains instructions for the proper completion and submission of claims. The provider must complete certain fields on the claim form to indicate the type of service provided.

The MMIS uses a variety of indicators on the Medicaid claim form to identify family planning services eligible for enhanced 90-percent Federal reimbursement. These indicators include the family planning indicator code and sterilization/abortion code. DOH considers all claims with either a "Yes" or "1" in the family planning indicator field to be related to family planning. If the service is related to an induced abortion or sterilization, the provider must enter a proper code in the abortion/sterilization field.<sup>2</sup>

All claims marked "Yes" in the family planning indicator field and "0" (Not Applicable) or "F" (Sterilization) in the abortion/sterilization field are processed for enhanced 90-percent Federal reimbursement. However, for claims marked "Yes" in the family planning indicator field with a code other than "0" or "F" in the abortion/sterilization field, the MMIS denies the claim and returns it to the provider for clarification because an abortion procedure does not qualify as a family planning service.

### **Medicaid Coverage of Abortions**

Since 1977, Congress has passed Appropriations Acts restricting Federal funding of abortions. Pursuant to the Supplemental Appropriations and Recessions Act of 1981, P.L. No. 97-12, Federal funds are available for abortions performed only when the life of the mother would be endangered if the fetus were carried to term. Pursuant to 42 CFR, part 441, subpart E, Federal reimbursement at the standard FMAP rate is available for abortions only when a physician has

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<sup>1</sup>Official Compilation of Codes, Rules and Regulations of the State of New York, Title 18, § 505.13.

<sup>2</sup>Codes for this field are "0" (Not Applicable), "A" (Induced Abortion–Danger to the Woman's Life), "B" (Induced Abortion–Physical Health Damage to the Woman), "C" (Induced Abortion–Victim of Rape or Incest), "D" (Induced Abortion–Medically Necessary), "E" (Induced Abortion–Elective), and "F" (Sterilization).

certified in writing to the Medicaid agency that the life of the mother would be endangered if the fetus were carried to term.

### **Prior Audit**

In a prior audit report entitled “Review of Clinic and Practitioner Claims Billed as Family Planning Services Under the New York State Medicaid Program” (A-02-07-01037, November 2008), we determined that the State improperly received \$17.1 million in Federal Medicaid reimbursement for family planning claims submitted by clinics and practitioners. In addition to the monetary recovery of this amount, our report recommended that the State: (1) reemphasize to providers that only services directly related to family planning should be billed as family planning, (2) ensure that MMIS edit routines use all appropriate claim information to identify claims that are ineligible for enhanced 90-percent Federal reimbursement, and (3) determine the amount of Federal Medicaid funds improperly reimbursed for claims unrelated to family planning subsequent to our audit period and refund that amount to the Federal Government. In its comments on our draft report, the State generally concurred with our recommendations.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### **Objective**

Our objective was to determine whether the State properly claimed enhanced 90-percent Federal reimbursement for family planning claims submitted by selected providers.

### **Scope**

Our audit period covered April 1, 2007, through September 30, 2008. We did not review the overall internal control structure of the State or the Medicaid program. Rather, we reviewed only the internal controls that pertained directly to our objective.

We performed fieldwork at DOH’s offices in Albany, New York; the State MMIS fiscal agent in Rensselaer, New York; and at 13 selected providers’ offices throughout the State from January 2009 through February 2009.

### **Methodology**

To accomplish our objective, we:

- reviewed Federal and State laws, regulations, and guidance and the State plan;
- held discussions with CMS officials and acquired an understanding of CMS guidance furnished to State officials concerning Medicaid family planning claims;
- held discussions with State officials to ascertain State policies, procedures, and guidance for claiming Medicaid reimbursement for family planning services;

- ran computer programming applications at the MMIS fiscal agent, which identified a sampling frame of 176,799 selected providers' claims billed at the enhanced 90-percent rate of Federal reimbursement by the State, totaling \$19,048,754 (\$17,143,041 Federal share) for the period April 1, 2007, through September 30, 2008;
- selected a stratified random sample of 105 claims from the sampling frame of 176,799 claims;
- obtained and reviewed medical records from 13 selected providers that submitted the 105 sample claims to make an initial determination as to whether the claimed services were related to family planning and eligible for enhanced 90-percent Federal reimbursement;
- submitted the medical records and our sample results to our medical reviewer, a CMS physician and policy expert on family planning; and
- estimated the dollar impact of the unallowable Federal reimbursement claimed in the total population of 176,799 claims.

Appendix A contains the details of our sample design and methodology, and Appendix B contains our sample results and estimates.

We conducted this 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## **FINDINGS AND RECOMMENDATIONS**

New York State improperly claimed enhanced 90-percent Federal reimbursement for family planning claims submitted by selected providers. Of the 105 claims in our sample, 50 qualified as family planning services and could be claimed at the enhanced 90-percent Federal reimbursement rate. However, the remaining 55 could not be claimed as family planning services. Of those 55 claims, 51 were for services unrelated to family planning and 4 lacked documentation. Based on our sample results, we estimated that the State received \$3,773,506 in unallowable Federal Medicaid reimbursement. This overpayment occurred because selected providers incorrectly claimed services as family planning and the State's MMIS edit routines did not adequately identify claims unrelated to family planning.

## **SERVICES UNRELATED TO FAMILY PLANNING**

According to section 4270 of the manual, family planning services prevent or delay pregnancy or otherwise control family size. The manual states that only items and procedures clearly furnished or provided for family planning purposes may be claimed at the enhanced 90-percent rate of Federal reimbursement. However, for 51 of the 105 claims in our sample, we determined that the billed services were unrelated to family planning. Of the 51 claims, 14 were not eligible for any Federal Medicaid reimbursement and 37 were eligible for reimbursement at the applicable FMAP rate of 50 percent.

Of the 14 services not eligible for any Federal Medicaid reimbursement, 5 services were abortion procedures and 9 were services related to preoperative abortion examinations. Pursuant to Federal regulations (42 CFR, part 441, subpart E), Federal reimbursement at the standard FMAP rate is available for abortions only when a physician has certified in writing to the Medicaid agency that the life of the mother would be endangered if the fetus were carried to term. This certification was not present in any of the 5 cases.

Thirty-seven claimed services were eligible for reimbursement at the applicable FMAP rate of 50 percent, including services to pregnant, sterilized, and perimenopausal women, pregnancy testing, colposcopy examinations, and treatment of infections.

## **NO DOCUMENTATION**

Section 1902(a)(27) of the Act and Federal regulations (42 CFR §§ 431.17 and 433.32) require that services claimed for Federal Medicaid reimbursement be documented. For 4 of the 105 claims in our sample, the provider could not provide documentation to support the service billed. Therefore, Federal Medicaid reimbursement was not available for these four claims.

## **CAUSES OF THE OVERPAYMENTS**

We identified two main causes of the overpayment: improperly coded claims and inadequate MMIS edit routines.

### **Improperly Coded Claims**

For all 51 sampled claims unrelated to family planning, selected providers incorrectly coded the Medicaid claim form by marking “Yes” in the family planning indicator field.<sup>3</sup> In addition, for five of these claims that were abortion procedures, the provider left the abortion/sterilization field blank.<sup>4</sup> Although the 51 claims were unrelated to family planning, the MMIS categorized these claims as family planning and eligible for enhanced 90-percent Federal reimbursement. Officials at the selected providers stated that they believed that nearly all the services they provide are related to family planning. Specifically, 6 of the 14 selected providers coded

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<sup>3</sup>DOH considers all claims with a “Yes” in the family planning indicator field to be related to family planning.

<sup>4</sup>For claims marked “A,” “B,” “C,” or “D” in the abortion/sterilization field, the MMIS denied the claims and sent them back to the provider for clarification because abortion procedures are not considered family planning services.

approximately 99 percent of their claims as family planning during our audit period. However, the medical review determined that the providers improperly claimed, for example, services to pregnant, sterilized, and perimenopausal women; treatment for sexually transmitted diseases; and preabortion counseling visits unrelated to family planning services.

### **Inadequate Medicaid Management Information System Edit Routines**

The MMIS's edits did not always correctly identify claims for enhanced 90-percent Federal reimbursement. The design of the computer edits in the MMIS was such that the presence of a "Yes" in the family planning indicator field was the only element needed for the system to classify a claim as family planning. As noted above, all 51 claims in error contained a "Yes" in the family planning indicator field, yet none of the claimed services related to family planning.

### **ESTIMATION OF THE UNALLOWABLE AMOUNT**

Of the 105 claims in our statistical sample, 50 qualified as family planning services eligible for Federal Medicaid reimbursement at the 90-percent rate. However, the remaining 55 sample claims were improperly paid at the 90-percent rate. Of the 55 claims, 18 were not eligible for any Federal Medicaid reimbursement and 37 were eligible for reimbursement at the applicable FMAP rate of 50 percent. Based on the results of our sample, we estimated that the State improperly received \$3,773,506 in Federal Medicaid reimbursement. The details of our sample results and estimates are shown in Appendix B.

### **RECOMMENDATIONS**

We recommend that the State:

- refund \$3,773,506 to the Federal Government and
- consider the results of this review in its evaluation of our prior recommendations to ensure that providers only bill as family planning those services directly related to family planning and ensure that MMIS edits appropriately identify claims that are ineligible for enhanced 90-percent Federal reimbursement.

### **NEW YORK STATE COMMENTS**

In its comments on our draft report, the State agreed with our recommendations and described corrective actions that it planned to take. The State's comments are included in their entirety as Appendix C.

# **APPENDIXES**

## **SAMPLE DESIGN AND METHODOLOGY**

### **POPULATION**

The population was Medicaid outpatient clinic claims billed by New York State at the 90-percent Federal reimbursement rate for family planning services submitted by selected providers during our April 1, 2007, through September 30, 2008, audit period.

### **SAMPLING FRAME**

The sampling frame was a computer file containing 176,799 Medicaid claims for services billed as family planning at 90-percent Federal reimbursement by selected providers during our review period. The total Medicaid reimbursement for the 176,799 claims was \$19,048,754 (\$17,143,041 Federal share). The Medicaid claims were extracted from the paid claims' files maintained at the Medicaid Management Information System fiscal agent.

### **SAMPLE UNIT**

The sample unit was an individual Medicaid claim for a service billed as family planning by a selected provider at the enhanced Federal reimbursement rate of 90 percent.

### **SAMPLE DESIGN**

We used stratified random sampling to evaluate the population of Medicaid claims submitted by selected providers. To accomplish this, we separated the sampling frame into two strata as follows:

- Stratum 1: Claims with a Federal share payment amount from \$0.01 to \$250.00—176,794 claims.
- Stratum 2: Claims with a Federal share payment amount greater than \$250.00—5 claims.

### **SAMPLE SIZE**

We selected a sample size of 105 claims as follows:

- 100 claims from the first stratum and
- 5 claims from the second stratum.

**SOURCE OF THE RANDOM NUMBERS**

The source of the random numbers was the Office of Audit Services' statistical software, RAT-STATS. We used the random number generator for our sample.

**METHOD OF SELECTING SAMPLE ITEMS**

We sequentially numbered the 176,794 claims in stratum 1. After generating 100 random numbers for stratum one, we selected the corresponding frame items. All the claims in stratum two were selected. We created a list of the 105 sample items.

**TREATMENT OF MISSING SAMPLE ITEMS**

The sample item was considered an error if no supporting documentation could be found.

**ESTIMATION METHODOLOGY**

We used RAT-STATS to calculate our estimates. We used the lower limit at the 90-percent confidence level to estimate the overpayment associated with the unallowable claims.

## SAMPLE RESULTS AND ESTIMATES

## Sample Details and Results

Stratum Number	Claims in Frame	Value of Frame (Federal Share)	Sample Size	Value of Sample (Federal Share)	Unallowable Claims	Value of Unallowable Claims (Federal Share)
1. ≤\$250	176,794	\$17,141,405	100	\$9,430	50	\$2,631
2. >\$250	5	1,636	5	1,636	5	1,636
<b>Totals</b>	<b>176,799</b>	<b>\$17,143,041</b>	<b>105</b>	<b>\$11,066</b>	<b>55</b>	<b>\$4,267</b>

## Estimates

(Limits Calculated for a 90-Percent Confidence Interval)

<b>Point Estimate:</b>	\$4,653,192
<b>Lower Limit:</b>	\$3,773,506
<b>Upper Limit:</b>	\$5,532,878



Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

Richard F. Daines, M.D.  
Commissioner

James W. Clyne, Jr.  
Executive Deputy Commissioner

August 28, 2009

James P. Edert  
Regional Inspector General for Audit Services  
Department of Health and Human Services  
Region II  
Jacob Javitz Federal Building  
26 Federal Plaza  
New York, New York 10278

Ref. No. A-02-09-01015

Dear Mr. Edert:

Enclosed are the New York State Department of Health's comments on the Department of Health and Human Services, Office of Inspector General's draft audit report A-02-09-01015 on "Review of Family Planning Claims Submitted by Selected Providers Under the New York State Medicaid Program."

Thank you for the opportunity to comment.

Sincerely,

James W. Clyne, Jr.  
Executive Deputy Commissioner

Enclosure

cc: Robert W. Reed  
Deborah Bachrach  
James Sheehan  
Nicholas Meister  
Stephen Abbott  
Irene Myron  
Ronald Farrell  
Gail Kerker

**New York State Department of Health's  
Comments on the  
Department of Health and Human Services  
Office of Inspector General's  
Draft Audit Report A-02-09-01015 on  
"Review of Family Planning Claims Submitted by Selected  
Providers Under the New York State Medicaid Program"**

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The following are the New York State Department of Health's (Department) comments in response to the Department of Health and Human Services, Office of Inspector General's (OIG) draft audit report A-02-09-01015 on "Review of Family Planning Claims Submitted by Selected Providers Under the New York State Medicaid Program."

**Recommendation #1:**

The Department should refund \$3,773,506 to the Federal Government.

**Response #1:**

The Department agrees to refund \$3,773,506 to the Federal Government.

**Recommendation #2:**

The Department should consider the results of this review in its evaluation of our prior recommendations to ensure that providers only bill as family planning those services directly related to family planning and ensure that MMIS edits appropriately identify claims that are ineligible for enhanced 90-percent Federal reimbursement.

**Response #2:**

The Department will develop an eMedNY systems project to establish MMIS edits to identify services that are strictly family planning and only claims for those services will be eligible for 90-percent Federal reimbursement.