

Report in Brief

Date: June 2018

Report No. A-02-16-01026

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



Why OIG Did This Review

Previous OIG reviews have identified Medicaid personal care services in New York as vulnerable to waste, fraud, and abuse. Based on these results, we decided to review New York's consumer-directed personal assistance program (CDPAP) services, which include personal care, home health, and nursing services.

New York's CDPAP permits chronically ill and physically disabled beneficiaries flexibility and freedom in choosing, training, and supervising their providers. New York claimed Federal Medicaid reimbursement totaling more than \$579 million for CDPAP services provided from January 2012 through June 2016 (audit period).

Our objective was to determine whether New York claimed Federal Medicaid reimbursement for CDPAP services in accordance with applicable Federal and State requirements.

How OIG Did This Review

We selected a statistical sample of 120 CDPAP claims for services provided during the audit period. We obtained and reviewed documentation to determine whether each selected claim was billed correctly.

New York Claimed Federal Reimbursement for Consumer-Directed Personal Assistance Services That Did Not Meet Medicaid Requirements

What OIG Found

For 27 of 120 sampled claims, New York claimed Federal reimbursement for CDPAP services claims that did not meet Medicaid requirements. Specifically, New York did not provide documentation of services claimed, claimed reimbursement for services that were not authorized or supported, and claimed reimbursement for claims for which documentation was not completed in a timely manner. New York also claimed reimbursement for services provided after a 6-month authorization period had lapsed.

This occurred because New York did not effectively monitor the CDPAP for compliance with certain CDPAP requirements.

Based on our sample results, we estimated that New York improperly claimed at least \$74.8 million in Federal Medicaid reimbursement during our audit period. New York's lack of effective monitoring of the CDPAP leaves the program vulnerable to misuse of Federal funds and could potentially place beneficiaries at risk of harm.

What OIG Recommends and New York's Comments

We recommend that New York refund \$74.8 million to the Federal Government, reinforce guidance related to CDPAP documentation and billing requirements, and improve its monitoring of the CDPAP to ensure compliance with CDPAP requirements.

In written comments on our draft report, New York did not indicate concurrence or nonconcurrence with our recommendations (though it did disagree with our findings related to 24 sample claims); however, it described the actions it was taking or planned to take in response to each of our recommendations. Specifically, New York provided a list of policies and guidance materials issued during our audit period related to CDPAP compliance and requirements and stated that it continues to provide guidance on an as-needed basis through routine audits of local social services districts.

Under separate cover, New York provided documentation for 39 of the 43 sample claims questioned in our draft report. After reviewing New York's comments and the documentation provided, we revised our determinations for 16 claims and modified our statistical estimates accordingly. We maintain that our revised findings and recommendations are valid.