

Report in Brief

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



Why OIG Did This Review

The Patient Protection and Affordable Care Act (ACA) gave States the option to expand Medicaid coverage to low-income adults without dependent children and established a higher Federal reimbursement rate for services provided to these newly eligible beneficiaries. As of January 1, 2017, New York was one of 31 States and the District of Columbia that had chosen to expand Medicaid to include the newly eligible beneficiaries.

Our objective was to determine whether New York determined Medicaid eligibility for newly eligible beneficiaries in accordance with Federal and State eligibility requirements.

How OIG Did This Review

We reviewed a stratified random sample of 130 newly eligible beneficiaries who received Medicaid-covered services during the period October 2014 through March 2015 (audit period). We reviewed supporting documentation to evaluate whether New York determined the applicants' eligibility in accordance with Federal and State requirements (e.g., met income, citizenship, and pregnancy requirements). We also reviewed New York's internal controls as well as the internal controls at New York's health insurance marketplace.

New York Did Not Correctly Determine Medicaid Eligibility for Some Newly Enrolled Beneficiaries

What OIG Found

New York did not always determine Medicaid eligibility for newly eligible beneficiaries in accordance with Federal and State requirements. In our sample of 130 beneficiaries, New York correctly determined eligibility for 90 beneficiaries. However, it did not determine eligibility for 37 beneficiaries in accordance with Federal and State requirements and did not provide supporting documentation to verify that beneficiaries were newly eligible for the remaining 4 potentially ineligible beneficiaries. The total exceeds 130 because 1 beneficiary was found to be ineligible for one determination period and found to be potentially ineligible for another period. On the basis of our sample results, we estimated that New York made Federal Medicaid payments of \$26.2 million on behalf of 47,271 ineligible beneficiaries.

What OIG Recommends and New York's Comments

We recommend that New York (1) redetermine, as appropriate, the current Medicaid eligibility status of the sample beneficiaries and (2) improve the design of its enrollment system.

New York disagreed with our recommendations and some of our findings and provided additional documentation under separate cover to support its stance on the findings with which it disagreed. New York also requested that we revise some statements in our report and remove information related to our testing of potential changes in Medicaid requirements, which we initially reported as an audit finding. Based on our review of New York's comments and additional documentation, we revised some of our findings and are no longer reporting the information related to our testing of potential changes in Medicaid requirements as an audit finding with a related recommendation. We maintain that our remaining recommendations are valid.