

Report in Brief

Date: April 2018

Report No. A-02-15-01019

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



Why OIG Did This Review

New York provides Personal Emergency Response Services (PERS) to eligible Medicaid beneficiaries through contracts negotiated between local social services districts (local districts) and PERS providers. Beneficiaries authorized to receive PERS receive electronic communication equipment in their home that can summon help if an emergency occurs. When activated by the beneficiary, the equipment signals a monitoring agency that can arrange for the appropriate assistance. Payment for PERS includes a monthly service charge for monitoring agency services.

Based on preliminary work that identified vulnerabilities, we determined that PERS monthly service charges were susceptible to waste and abuse. Our review covered 512,121 claims for PERS monthly service charges, totaling \$13.4 million (\$6.7 million Federal share).

Our objective was to determine whether New York claimed Federal Medicaid reimbursement for PERS monthly service charges in compliance with Medicaid requirements.

How OIG Did This Review

We reviewed a random sample of 100 claims for PERS monthly service charges for the audit period January 2010 through March 2015. We reviewed each claim for compliance with Medicaid requirements.

Most of New York's Claims for Federal Reimbursement for Monthly Personal Emergency Response Service Charges Did Not Comply With Medicaid Requirements

What OIG Found

For 87 of the 100 claims in our sample, New York claimed Federal reimbursement for PERS monthly service charge claims that did not comply with Medicaid requirements. Specifically, beneficiary assessments were not reviewed as part of New York's reauthorization of services. Also, New York authorized services for more than the maximum 6-month period, did not meet or document assessment requirements, and did not provide documentation to support charges.

These deficiencies occurred because local districts did not properly apply program requirements related to the authorization of PERS monthly service charges or maintain documentation to support the PERS monthly service charges for which New York claimed Federal Medicaid reimbursement. In addition, New York did not effectively monitor local districts for compliance with Medicaid requirements.

On the basis of our sample results, we estimated that New York improperly claimed at least \$5.5 million in Federal Medicaid reimbursement. New York's ineffective oversight of the PERS program 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 \$5.5 million to the Federal Government and strengthen its monitoring activities of local districts for compliance with Medicaid requirements.

In written comments on our draft report, New York did not indicate concurrence or nonconcurrence with our recommendations; however, it described the actions it was taking or planned to take in response to each of our recommendations. Specifically, New York stated that it will review the claims identified as unallowable in our draft report and determine an appropriate course of action. New York also stated that it will review and update its policies and guidance related to PERS and plans to continue to provide guidance through its routine auditing of the local districts. After reviewing New York's comments, we maintain that our findings and recommendations are valid.