New York May Have Improperly Claimed Medicaid Reimbursement for Certain Dental Services

What OIG Found
New York may have separately claimed Medicaid reimbursement for dental services provided to beneficiaries residing in nursing facilities and residential treatment centers for which dental services were incorporated into their reimbursement rate. We determined that New York may have improperly claimed reimbursement for 7,650 dental services totaling $1.3 million ($670,000 Federal share). Of these, 712 claims, totaling $66,000 ($34,000 Federal share), were for Medicaid fee-for-service dental services and 6,938 claims, totaling $1.3 million ($635,000 Federal share), were for clinic dental services.

This occurred because New York’s Medicaid claims reimbursement system did not always prevent the reimbursement of certain fee-for-service dental claims for beneficiaries residing at nursing facilities and residential treatment centers. In addition, while New York’s regulations require these facilities to provide, as part of the basic service agreement, dental services to all patients, its regulations do not require clinic dental providers to seek reimbursement from the facility where the beneficiary resided even though services provided to the beneficiary may be the same as those included in the facility’s rate.

What OIG Recommends and New York’s Comments
We recommend that New York (1) investigate each potentially improper dental fee-for-service claim and refund up to $34,000 to the Federal Government, as appropriate; (2) revise its Medicaid claims reimbursement system edit to ensure that fee-for-service dental claims are not reimbursed for beneficiaries residing at nursing facilities and residential treatment centers; and (3) amend its regulations and program guidelines to prohibit the Medicaid reimbursement of clinic dental claims, which may have saved as much as $635,000 during our audit period, for services provided to beneficiaries who reside in nursing facilities and residential treatment centers.

In written comments on our draft report, New York did not indicate concurrence or nonconcurrence with our recommendations; however, it described actions that it planned to take to address them. Specifically, New York stated that it will review the identified claims and determine an appropriate course of action. New York also stated that it will correct its Medicaid claims reimbursement system edit as appropriate and confirm that its edits established to disallow duplicative billing for fee-for-service claims will also be used for clinical services.