

Report in Brief

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Report No. A-02-17-01008

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



Why OIG Did This Review

New York's Assertive Community Treatment (ACT) program delivers treatment, rehabilitation, and support services to Medicaid beneficiaries diagnosed with severe mental illness whose needs have not been met by traditional service delivery approaches. Medicaid reimburses ACT providers at one of two rates: a full payment rate when at least six 15-minute face-to-face contacts are provided during a month and a partial payment rate when fewer than six, but at least two, face-to-face contacts are provided in a month. No payment is allowed when only one contact is provided.

Prior OIG reviews of Medicaid programs administered by the New York State Office of Mental Health identified a significant number of claims improperly submitted for Medicaid reimbursement. Preliminary analysis of New York's claims for Medicaid ACT services identified these services as vulnerable to waste and abuse.

Our objective was to determine whether New York claimed Federal reimbursement for ACT services in accordance with Medicaid requirements.

How OIG Did This Review

Our review covered \$133.9 million (Federal share) for 170,518 ACT services claims reimbursed at the full payment rate and provided during the period April 2011 through March 2016. We reviewed a random sample of 100 of these claims.

New York Claimed Federal Reimbursement for Some Assertive Community Treatment Services That Did Not Meet Medicaid Requirements

What OIG Found

Of the 100 claims in our sample, 87 complied with Medicaid requirements, but 13 did not. Specifically, for nine claims, the ACT services were not identified in the beneficiary's treatment plan or no treatment plan was provided. In addition, for four claims, the documentation did not support the payment rate claimed by the provider. For one other claim, no case record was provided. The total exceeds 13 because 1 claim contained more than 1 deficiency.

These deficiencies occurred because providers did not always ensure that ACT services were provided in accordance with a beneficiary's treatment plan and did not always verify that the required number of contacts needed to claim the ACT full payment rate was provided. Further, certain providers failed to maintain or provide documentation to support ACT services claims. Finally, although New York monitors ACT providers for compliance with Medicaid requirements, it did not ensure that its oversight was effective in preventing the errors identified in our review.

On the basis of our sample results, we estimated that New York improperly claimed at least \$4.4 million in Federal Medicaid reimbursement for ACT services during our audit period.

What OIG Recommends and New York's Comments

We recommend that New York (1) refund \$4.4 million to the Federal Government, (2) ensure that ACT program guidance on claiming Medicaid reimbursement for services is reinforced with providers, and (3) continue to improve its monitoring of the ACT program.

In written comments on our draft report, New York disagreed with our first recommendation and agreed with our remaining recommendations. New York asserted that our findings stemmed from a flawed audit methodology that included an inaccurate interpretation of State regulations on treatment plan requirements. New York also stated that our findings are based solely on our own application of State regulations rather than on any underlying Federal laws or regulations. After reviewing New York's comments, we maintain that our findings are valid; however, we have removed the Medicaid payments for two claims associated with the providers that are no longer in business from our estimate of improper payments and adjusted our report and first recommendation accordingly. The plain language of New York's regulations provides clear requirements for Medicaid providers to be paid.