

Report in Brief

Date: February 2020
Report No. A-02-17-01021

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



Why OIG Did This Audit

The United States currently faces a nationwide public health emergency due to the opioid crisis. Opioid treatment programs (OTPs) provide medication-assisted treatment coupled with counseling and behavioral therapies for people diagnosed with an opioid use disorder. This audit is part of the OIG's oversight of the integrity and proper stewardship of Federal funds used to combat the opioid crisis.

Our objective was to determine whether New York claimed Medicaid reimbursement for OTP services provided in the New York City metropolitan area in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered more than 10.7 million Medicaid claims for OTP services, totaling over \$445 million (\$272 million Federal share), provided in the New York City metropolitan area during calendar years 2014 through 2017.

We reviewed a stratified random sample of 150 claims to determine compliance with Federal and State requirements. We also identified 6,700 potentially duplicate claims totaling \$267,000 (\$160,000 Federal share) from the 10.7 million claims and selected a nonstatistical sample of 598 claims to determine compliance with Federal and State requirements.

New York Claimed Tens of Millions of Dollars for Opioid Treatment Program Services That Did Not Comply With Medicaid Requirements Intended To Ensure the Quality of Care Provided to Beneficiaries

What OIG Found

New York claimed Federal Medicaid reimbursement for OTP services that did not comply with Federal and State requirements. Of the 150 claims in our random sample, 115 claims complied with Medicaid requirements, but 35 claims did not. In addition, of the 598 claims in our nonstatistical sample, 299 claims totaling \$8,905 (\$5,830 Federal share) were billed in error. Specifically, 220 claims were duplicate claims, and 79 claims were for services that the providers stated were not provided. On the basis of our sample results, we estimated that New York improperly claimed at least \$39.3 million in Federal Medicaid reimbursement for OTP services during our audit period.

These improper claims occurred because providers (1) failed to maintain or provide documentation of OTP services, (2) did not ensure that OTP services were provided in accordance with beneficiaries' treatment plans, and (3) did not maintain signatures for OTP services. Further, although New York inspects providers to verify compliance with Federal and State Medicaid requirements, it did not ensure that its oversight prevented the errors identified by our audit.

What OIG Recommends and New York State's Comments

We recommended that New York (1) refund \$39.3 million to the Federal Government, (2) ensure that providers comply with Federal and State requirements for providing and claiming reimbursement for OTP services, and (3) implement procedures to detect and prevent duplicate claims for OTP services.

In written comments on our draft report, New York did not indicate concurrence or nonconcurrence with our recommendations; however, it described actions it planned to take to address them. Specifically, New York stated that its Office of the Medicaid Inspector General will review the claims identified in our draft report as not having complied with Medicaid requirements and determine an appropriate course of action. New York also stated that it would issue guidance to OTP providers reminding them of their obligations to comply with Federal and State laws for providing and claiming Medicaid reimbursement for OTP services. Finally, New York stated that it would investigate whether edits to its Medicaid claims processing system will be required to detect and prevent duplicate claims for OTP services.