

Report in Brief

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



Why OIG Did This Audit

A recent OIG audit found that New York made more than \$10 million in unallowable Federal Medicaid payments to *different* managed care organizations (MCOs) for the same month for beneficiaries assigned more than one Medicaid identification (ID) number. Using computer matching and other data analysis techniques, we determined that Medicaid payments to the *same* MCO were at risk for similar noncompliance with Medicaid requirements.

Our objective was to determine whether New York claimed Federal Medicaid reimbursement for managed care payments made to the same MCO on behalf of beneficiaries who were assigned more than one Medicaid ID number.

How OIG Did This Audit

Our audit covered Medicaid managed care payments totaling \$25.5 million (Federal share) for 13,784 beneficiary-matches that New York made to the same MCO for the same month during the period January 2015 through September 2019. We reviewed a stratified random sample of 105 of these beneficiary-matches. We defined a beneficiary-match to be when (1) more than one Medicaid ID number was associated with the same Social Security number (SSN) or (2) no SSN was provided but select personal information (i.e., first four characters of the first name, entire last name, date of birth, and gender) was identical for more than one Medicaid ID number.

New York Made Unallowable Payments Totaling More Than \$9 Million to the Same Managed Care Organization for Beneficiaries Assigned More Than One Medicaid Identification Number

What OIG Found

New York improperly claimed Federal Medicaid reimbursement for Medicaid beneficiaries who were assigned more than one Medicaid ID number. Specifically, for 100 of the 105 beneficiary-matches in our sample, New York made managed care payments to the same MCO for the same beneficiary for the same month under different Medicaid ID numbers.

The assignment of more than one Medicaid ID number and resulting improper payments occurred because (1) New York's procedures for identifying whether an individual applying for Medicaid had already been assigned a Medicaid ID number were not always followed, (2) system queries were not adequate to ensure that all individuals with existing Medicaid ID numbers were identified, and (3) local district and Marketplace staff did not use all available resources to ensure that qualified applicants were not issued more than one Medicaid ID number. We note that, in 2019 and 2020, New York took steps to improve its processes for identifying beneficiaries assigned more than one Medicaid ID number.

On the basis of our sample results, we estimated that New York claimed at least \$10.6 million in Federal Medicaid reimbursement for managed care payments made to the same MCO on behalf of beneficiaries assigned more than one Medicaid ID number. We reduced our recommended financial disallowance to reflect payments New York refunded after our fieldwork.

What OIG Recommends and New York's Comments

We made a series of recommendations to New York, including that it refund \$9,325,338 to the Federal Government and identify and recover improper managed care payments made to the same MCO on behalf of beneficiaries with more than one Medicaid ID number prior to and after our audit period.

New York did not indicate concurrence or nonconcurrence with our recommendations; however, it described steps that it has taken or plans to take to address them. New York also stated that it refunded more than \$1 million for payments made on behalf of beneficiaries assigned more than one Medicaid ID number. We verified that New York refunded more than \$1 million in recoveries after completion of our fieldwork for payments in our sampling frame and revised our report accordingly.