New York’s Claims for Federal Reimbursement for Payments to Health Home Providers on Behalf of Beneficiaries Diagnosed With Serious Mental Illness or Substance Use Disorder Generally Met Medicaid Requirements But It Still Made $6 Million in Improper Payments to Some Providers

What OIG Found
Of the 150 payments in our random sample, New York properly claimed reimbursement for 141 payments but improperly claimed reimbursement for the remaining 9 payments. Specifically, New York’s health home providers did not provide a comprehensive patient-centered care plan covering the sampled date of service for enrolled beneficiaries (five payments) and did not document health home services (four payments). The improper payments occurred because New York did not adequately monitor health home providers for compliance with certain Federal and State requirements for providing, documenting, and billing services.

Health home providers’ failure to develop comprehensive patient-centered care plans and provide health home services could have resulted in beneficiaries not getting the services that they needed and may have put their health and safety at risk. On the basis of our sample results, we estimated that New York improperly claimed at least $6 million in Federal Medicaid reimbursement for payments made to health home providers for services provided to beneficiaries diagnosed with serious mental illness or substance use disorder.

What OIG Recommends and New York’s Comments
We recommend that New York refund $6 million to the Federal Government. New York should also strengthen its monitoring of the health home program to ensure that health home providers comply with Federal and State requirements for (1) providing services according to a comprehensive patient-centered care plan and (2) maintaining documentation to support services billed.

In written comments on our draft report, the State agency did not indicate concurrence or non-concurrence with our recommendations; however, it described actions that it has taken to address them. After reviewing the State agency’s comments, we maintain that our findings and recommendations are valid. In addition, we acknowledge the State agency’s efforts to expand and strengthen its oversight of its health home program.