Why OIG Did This Audit

An OIG audit issued in 2011 identified major deficiencies with New York’s oversight of its nonemergency medical transportation (NEMT) program. In response to that audit, New York indicated that it planned to implement a quality assurance program for NEMT services provided in the New York City area. We conducted this follow-up audit to determine whether the quality assurance program implemented by New York was adequate to ensure compliance with Federal and State requirements related to claiming Medicaid reimbursement for NEMT services.

Our objective was to determine whether New York’s claims for Medicaid reimbursement for NEMT payments to transportation providers in New York City complied with Federal and State requirements.

How OIG Did This Audit

Our audit covered 4,768,858 payments totaling $269,584,249 (Federal share) for NEMT services provided during calendar years 2018 and 2019 by transportation providers in New York City. We selected a stratified random sample of 100 payments for review. Specifically, we reviewed documentation maintained by the contractor hired by New York to manage its NEMT program as well as documentation from medical and transportation services providers.

New York Claimed $196 Million, Over 72 Percent of the Audited Amount, in Federal Reimbursement for NEMT Payments to New York City Transportation Providers That Did Not Meet or May Not Have Met Medicaid Requirements

What OIG Found

Seventeen of the 100 sampled payments complied with Federal and State requirements. However, for 41 sampled payments, NEMT payments did not comply with Federal and State requirements and were therefore unallowable. For the remaining 42 sampled payments, we could not determine whether the services complied with Federal and State requirements.

On the basis of our sample results, we estimated that New York improperly claimed at least $84,329,893 in Federal Medicaid reimbursement for payments to NEMT providers that did not comply with certain Federal and State requirements. In addition, we estimated that New York claimed $112,028,279 in Federal Medicaid reimbursement for payments to NEMT providers that may not have complied with certain Federal and State requirements.

What OIG Recommends and New York Comments

We made a series of recommendations to New York, including that it refund $84,329,893 to the Federal Government for the payments that did not comply with certain Federal and State requirements and work with the transportation manager to review the $112,028,279 in Federal Medicaid reimbursement for payments to NEMT providers that may not have complied with certain Federal and State requirements and refund to the Federal Government any unallowable amounts. We also made recommendations for New York to improve its monitoring of its NEMT program.

In written comments on our draft report, New York did not indicate concurrence or nonconcurrence with our recommendations; however it (1) requested that we withdraw our repayment request from the audit report and provided additional documentation for 28 sampled payments, (2) stated that it has initiated audits and investigations that overlap the scope of this audit and will refund any identified overpayments to the Federal Government, and (3) described actions that it has taken since the end of our audit period to strengthen oversight of its NEMT program. After reviewing New York’s comments and documentation, we revised our determinations for 16 sampled payments and revised the related findings and recommendations accordingly. We maintain that our findings and associated recommendations, as revised, are valid.

The full report can be found at https://oig.hhs.gov/oas/reports/region2/22101001.asp.