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

Why OIG Did This Review

Historically, only certain groups of individuals who had incomes and assets below certain thresholds were eligible for Medicaid (traditional coverage groups). After the passage of the Patient Protection and Affordable Care Act (ACA), some beneficiaries remained eligible under these traditional coverage groups. We refer to these beneficiaries as "non-newly eligible beneficiaries." This review is part of an ongoing series of OIG reviews of States' Medicaid eligibility determinations. We conducted these reviews to address the concern that States might have difficulty accurately determining eligibility for Medicaid beneficiaries.

Our objective was to determine whether New York determined Medicaid eligibility for non-newly eligible beneficiaries in accordance with Federal and State eligibility requirements.

How OIG Did This Review

Our review covered 5,351,560 non-newly eligible beneficiaries for whom Medicaid payments totaling $24.6 billion ($13.2 billion Federal share) were made for services provided from October 2014 through March 2015. We reviewed supporting documentation for a stratified random sample of 130 of these beneficiaries to evaluate whether New York determined the individuals' Medicaid eligibility in accordance with Federal and State eligibility requirements (e.g., income and citizenship requirements).

New York Did Not Correctly Determine Medicaid Eligibility for Some Non-Newly Eligible Beneficiaries

What OIG Found

For our sample of 130 beneficiaries, New York correctly determined Medicaid eligibility for 110 beneficiaries but incorrectly determined Medicaid eligibility for 6 beneficiaries. New York did not provide supporting documentation to verify that the remaining 14 beneficiaries were Medicaid-eligible. For these beneficiaries, New York did not consider all available, relevant information or failed to comply with its Medicaid State plan or verification plan when determining Medicaid eligibility. Additionally, New York's enrollment system did not always query all electronic data sources to ensure individuals were reporting all sources of countable income when applying for Medicaid. Lastly, New York did not always maintain documentation to support eligibility determinations.

On the basis of our sample results, we estimated that New York made Federal Medicaid payments of $520.3 million on behalf of 383,893 ineligible beneficiaries and $1.3 billion on behalf of 618,057 potentially ineligible beneficiaries during our 6-month audit period.

What OIG Recommends and New York's Comments

We recommend that New York (1) redetermine, as appropriate, the current Medicaid eligibility status of the sampled beneficiaries who did not meet Federal and State eligibility requirements; (2) take the necessary steps to ensure local district and marketplace staff consider all available, relevant information and data sources, as well as all Federal and State requirements when determining Medicaid eligibility, which could have reduced or eliminated an estimated $520.3 million in overpayments caused by eligibility errors over the 6-month audit period; and (3) maintain the necessary documentation to determine whether it enrolled individuals who did not meet Federal and State Medicaid eligibility requirements, which could have resulted in up to $1.3 billion in potentially improper Federal Medicaid payments over the 6-month audit period.

New York did not specifically indicate concurrence or nonconcurrence with our recommendations. However, it stated that it disagreed with our determinations for six sampled beneficiaries and provided, under separate cover, additional information related to these beneficiaries. New York also described steps it has taken after our audit period to ensure that Medicaid determination and enrollment policies are adhered to. After reviewing New York's comments and the additional information provided, we maintain our findings and recommendations are valid.

The full report can be found at https://oig.hhs.gov/oas/reports/region2/21601005.asp.