

Report in Brief

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



Why OIG Did This Audit

A prior OIG audit of Medicaid community rehabilitation services in New York identified significant noncompliance with Federal and State requirements and recommended that New York develop guidance to physicians. Although New York stated that it would disseminate any necessary guidance, it did not subsequently develop any guidance for physicians. Rather, New York amended State regulations that required a summary of the service plan review to be submitted to physicians prior to the reauthorization of community rehabilitation services. As a result, there is a risk that vulnerabilities that OIG previously identified in the program still exist.

The objective of our audit was to determine whether New York claimed Federal Medicaid reimbursement for community rehabilitation services in accordance with Medicaid requirements.

How OIG Did This Audit

Our audit covered 325,776 claims for community rehabilitation services for which New York claimed Medicaid reimbursement totaling \$1.1 billion (\$621 million Federal share) during the period January 1, 2018, through December 31, 2021 (audit period). We reviewed a stratified random sample of 120 claims, and for each claim, reviewed medical and billing documentation maintained by providers to determine if the associated services complied with Medicaid requirements.

New York Improved Its Monitoring of Medicaid Community Rehabilitation Services But Still Claimed Improper Federal Medicaid Reimbursement Totaling \$20 Million

What OIG Found

New York generally complied with Medicaid requirements for claiming Federal reimbursement for community rehabilitation services. For 111 of the 120 sampled claims, New York properly claimed Medicaid reimbursement for all community rehabilitation services. However, New York claimed reimbursement for some unallowable community rehabilitation services for the remaining 9 sampled claims. Specifically, services were provided although service plans were not timely signed or maintained, claims did not meet Medicaid reimbursement standards, and services were not appropriately authorized.

On the basis of our sample results, we estimated that New York improperly claimed at least \$19.9 million in Federal Medicaid reimbursement for community rehabilitation services that did not comply with Medicaid requirements. Although we commend New York for its efforts in improving some aspects of its monitoring of providers, its overall monitoring activities were still not adequate to ensure that providers complied with Medicaid requirements.

What OIG Recommends and New York Comments

We recommend that New York refund \$19.9 million to the Federal Government. We also recommend that New York improve its monitoring activities by increasing the number of case files reviewed when conducting monitoring visits at providers, and by providing formal guidance or training to providers to clarify Medicaid requirements related to providing community rehabilitation services.

In written comments on our draft report, New York partially agreed with both of our recommendations and described actions that it had taken or planned to take to increase its oversight of its community rehabilitation services program. Based on our review of New York's comments and additional documentation provided under separate cover, we revised our findings and related recommendations. We maintain that our findings and recommendations, as revised, are valid.