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General

Joint Legislative Budget Testimony

Testimony of Tom Meyer
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Good morning Chairman DeFrancisco, Chairman Farrell, and distinguished members of the Senate Finance and Assembly Ways and Means Committees, Health Committee Chairs Senator Hannon and Assemblymember Gottfried. My name is Tom Meyer and I am the Acting Medicaid Inspector General. I want to thank you for the opportunity to discuss the 2015-16 Executive Budget as it relates to the Office of the Medicaid Inspector General (OMIG).

OMIG was created as part of an overall effort to reduce fraud, waste, and abuse within the State's Medicaid program. The intent was to take a more proactive stance in fighting fraud and also to detect and prevent overbilling in the Medicaid program. New York's results in this regard have made us the national leader.

Avoiding Costs and Recovering Overpayments

OMIG identifies and pursues opportunities to save taxpayer dollars. Preliminary numbers show that New York's proactive cost-containment strategies have saved taxpayers more than $6.3 billion over the last three years. We expect that the coming year will present new opportunities to prevent Medicaid dollars from being wasted.

Preliminary estimates of our recoveries also reflect our success in fighting fraud and recouping payments from improper Medicaid billings. Over the last three years, the Administration's enforcement efforts have recovered over $1.7 Billion, a 20 percent increase over the prior three-year period.

Focusing on Program Transitions

The Medicaid program is in the midst of a tremendous transition from the traditional fee-for-service model to care management for all. Our reviews of managed care and managed long term care have already begun and are showing results.

For example, OMIG is focusing on policing social adult day care and managed long term care in concert with the Department of Health, the State Office for the Aging and the Medicaid Fraud Control Unit of the Attorney General's office. OMIG's work in these areas has taken two paths - an investigative focus on social adult day care and an audit focus on managed long term care plans.

We have opened investigations related to social adult day care and conducted onsite inspections. Some of the issues we have found relate to fire-safety concerns, mismatches between space and occupancy, entrance and egress access, and zoning violations. As a result, we have made referrals to appropriate government and law enforcement agencies.

OMIG is also conducting audits of managed long term care plans. These audits focus on whether individuals are eligible for long term care and whether they are receiving appropriate care management. In last year's budget testimony it was stated that there would be substantial recoveries in this area. We can report today that the state has

recovered tens of millions of dollars from plans that received overpayments, with additional millions identified for recovery in the future.

Emphasizing the Importance of Provider Education

We have continued our efforts to educate providers about Medicaid compliance. We now have 23 active audit protocols that can help providers learn about Medicaid compliance. In addition, we have conducted webinars, at the request of providers, on topics including the Medicaid exclusion and reinstatement process as well as the self-disclosure process. We are very proud of this work because it has a positive effect on program integrity and enables providers to partner with the State and OMIG in these efforts.

New York's first-in-the-nation Mandatory Provider Compliance program is a national model that was adopted at the federal level in the Affordable Care Act. In New York, our commitment to these efforts has resulted in increases every year in the number of providers that certify to having compliance programs that meet New York's requirements. And today, New York is again a leader by creating concrete measurements that demonstrate how stronger compliance efforts help save money. Last year, OMIG's monitoring of providers under Corporate Integrity Agreements resulted in more than $59 million in cost avoidance. This is proof that oversight, coupled with appropriate educational effort, can yield positive results.

Stopping Fraud Where It Starts

At OMIG, we recognize the importance of identifying areas for potential fraud or abuse, and of working with providers to prevent improper conduct before it starts. One of the areas where we thought improved automated controls would help was home health services. In 2011, a new control - pre-claim verification - was enacted into law. Pre-claim verification provides assurances that claims are only submitted when caregivers are present to provide home health services. This control had the added benefit of saving hundreds of millions of taxpayer dollars. Last year, the pre-claim verification statute was amended to bring services transitioned into care management under the umbrella of the control. I am pleased to report today that this control is being implemented.

Conclusion

OMIG is the leading state Medicaid program integrity agency in the nation, and the coming year is sure to present new opportunities. The Executive Budget represents a strong commitment to our office, will improve OMIG's operations, and enhance our ability to fight fraud and abuse in the Medicaid program.

Thank you for the opportunity to speak today. I am happy to answer questions.