

FOR IMMEDIATE RELEASE

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**GOVERNOR'S STATE MEDICAID INSPECTOR GENERAL AND
NYC'S HUMAN RESOURCES ADMINISTRATION RECOVER MORE
THAN \$10 MILLION THROUGH MEDICAID FRAUD, WASTE AND
ABUSE DEMONSTRATION PROJECT**

State Presents Six-Figure Check to HRA for City's Share of Recoveries

Human Resources Administration (HRA) Commissioner Robert Doar accepted a check today for \$278,642 from New York State Medicaid Inspector General James G. Sheehan for HRA's achievements as part of New York City's participation of the State of New York's Medicaid Fraud, Waste and Abuse Demonstration Project. The pilot program, which began in December 2006, is designed to empower localities, primarily counties, to join with the State to increase vigilance over the Medicaid program by detecting fraud and waste in the program and recovering improper payments that result. When a final audit by the county identifies improper payments, the Office of the Medicaid Inspector General (OMIG) recovers those funds and then shares with the local social services district the remaining balance after all expenses are reconciled. Today's sum represents the city's share of \$10,169,541 in Federal, State, and City combined Medicaid funds recovered through the partnership over a three-year period (2007-2010).

OMIG Sheehan presented the check to Commissioner Doar at HRA offices in downtown Manhattan.

"Through the presentation of this check, we recognize the effectiveness and diligence of this important partnership," said Governor David A. Paterson. "New York State's efforts to identify and prevent improper Medicaid payments, and recover them when they occur, are enhanced by the outstanding work that the New York City HRA has contributed. At a time when government officials are conscious of the way every dollar is spent, this is a true success story."

"New York City has played a key role in partnering with State officials to identify fraud and detect documentation errors by Medicaid providers," said Health and Human Services Deputy Mayor Linda I. Gibbs. "The savings from this project have helped New York City recover millions of wasted Medicaid dollars, protected the taxpayers, and helped maintain the integrity of the Medicaid program."

“The County Demonstration Project is a pivotal part of the work that we do to protect the integrity of New York’s Medicaid program,” said Medicaid Inspector General James G. Sheehan. “These recoveries represent many hours of work on the part of the counties and OMIG staff, and I applaud their dedication on behalf of the taxpayers of New York State and New York City.”

“Medicaid fraud hurts the poor and needy, wastes tax dollars and makes the public skeptical about social services,” said HRA Commissioner Robert Doar. “HRA has a responsibility to all New Yorkers to ensure the integrity of public assistance programs. Our Medicaid Provider Fraud Office works hard to target fraud, waste and abuse by healthcare and other service providers and make sure that those who steal from public health insurance or any other program are investigated and will be prosecuted to the full extent of the law. I thank State Medicaid Inspector General James G. Sheehan for this fruitful partnership.”

Since its inception in 2006, the OMIG’s County Fraud and Abuse Demonstration Project has agreements with 16 jurisdictions across New York State to enhance their efforts to identify and prevent Medicaid fraud and waste. Eleven of those counties and New York City are active participants. Seven counties use outside contractors to complete the work, while two counties and New York City use internal staff members, and three counties use a combination of the two approaches. The Demonstration Project was enabled through Chapter 58 of the Laws of 2005. In the same legislation, the financial contribution of counties to the Medicaid program was capped to a set yearly increase. The Demonstration Project has created a structural incentive for counties to continue to contribute to the efficiency of the program. As the agent of the OMIG, participating counties are able to pursue provider fraud, waste and abuse via audits and/or investigations:

The payment made today to NYC is the result of the following process:

- When a final audit identifies improper payments, the OMIG recovers those funds. The counties and their contractor, if applicable, are responsible for conducting each phase of the audit process.
- OMIG staff reviews and approves the work before a final audit is released.
- The state is required to give the federal government their share of the improper payment.
- Once this is done for all audits, recoveries made are used to reconcile the expenses incurred by each county.
- If a balance remains, the OMIG shares that equally with the local social services district as a “lump sum”.

The Office of Medicaid Provider Fraud and Abuse Investigation (OMPF AI) is the HRA unit responsible for conducting compliance audits of providers and identifying inappropriate Medicaid expenditures for recovery. Since its collaboration with the OMIG started in 2006, Medicaid savings attributable to OMPFAI’s efforts total \$9.6 million. Prior to this

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collaboration with the OMIG, HRA had already developed other extensive processes to detect client-related Medicaid fraud through its Investigation, Revenue and Enforcement Administration Office (IREA) which is responsible for identifying and recovering and prosecuting Medicaid monies expended fraudulently or inappropriately.

Prior to New York City's participation, twelve local districts (out of fifty-eight) participated in the demonstration project. These counties are now empowered to investigate and audit providers under the OMIG's supervision. In addition to New York City, participating counties include: Albany, Broome, Chautauqua, Dutchess, Monroe, Erie, Nassau, Orange, Rensselaer, Rockland, Suffolk, and Westchester.

Suspicious of possible Medicaid fraud, waste, and abuse can be reported online at www.omig.ny.gov or by calling the IREA fraud Hotline at 212-274-5030.