



## Department of Health

**KATHY HOCHUL**  
Governor

**JAMES V. McDONALD, M.D., M.P.H.**  
Commissioner

**JOHANNE E. MORNE, M.S.**  
Executive Deputy Commissioner

June 6, 2024

Andrea Inman, Audit Director  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street – 11<sup>th</sup> Floor  
Albany, New York 12236-0001

Dear Andrea Inman:

Enclosed are the Department of Health's comments on the Office of the State Comptroller's Follow-Up Audit Report, 2023-F-40 entitled, "Improper Overlapping Medicaid and Essential Plan Enrollments."

Thank you for the opportunity to comment.

Sincerely,

Johanne E. Morne, M.S.  
Executive Deputy Commissioner

Enclosure

cc: Melissa Fiore

**Department of Health  
Comments on the  
Office of the State Comptroller's  
Follow-Up Audit Report 2023-F-40 entitled,  
"Improper Overlapping Medicaid and Essential Plan Enrollments  
(Report 2020-S-66)"**

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Follow-Up Audit Report 2023-F-40 entitled, "*Improper Overlapping Medicaid and Essential Plan Enrollments*" (Report 2020-S-66). Included in the Department's response are the Office of the Medicaid Inspector General's (OMIG) replies to applicable recommendations. OMIG conducts and coordinates the investigation, detection, audit, and review of Medicaid providers and recipients to ensure they are complying with the laws and regulations.

**Recommendation #1**

*Review and correct the identified Medicaid and Essential Plan enrollment overlaps and recover overpayments, as warranted, prioritizing payments made to the same insurer for the same recipient in the same month.*

Status – Not Implemented

Agency Action – The initial audit identified 5,435 overlapping Medicaid and Essential Plan enrollment periods for 5,025 recipients with matching Social Security numbers and/or matching key demographic data. During these overlapping enrollment periods, DOH made Medicaid payments totaling \$40.3 million and Essential Plan payments totaling \$18.4 million. Since the initial audit was issued, DOH only corrected overlapping Medicaid and Essential Plan enrollments for seven of 5,025 recipients (less than 1%). In addition, DOH could not identify any recoveries in process. DOH officials stated that corrections will continue as part of an ongoing initiative. We encourage DOH to continue to review and correct the Medicaid and Essential Plan enrollment overlaps identified in the audit and recover overpayments, as warranted.

**Response #1**

The Department continues to review and correct the overlap cases that OSC has provided. In addition, conversations have begun with eMedNY staff to ensure that the overlap corrections that have been completed continue to have premium payments recouped from the plans. The Department is prioritizing eMedNY Change Request (CR) 2017 which will also reduce the overlaps that occur. Until that CR goes to production, the Department will continue to work the reports manually to correct the overlaps and recoup duplicate payments.

OMIG is currently developing an audit process to recover inappropriate payments for overlapping coverage of Essential Plan and Medicaid. For any OSC findings after March 2020, OMIG will utilize guidance issued by Federal and State entities as to the appropriateness of the claims during the COVID-19 Public Health Emergency. Pursuant to State regulations, any identified overpayments OMIG pursues for recovery are subject to the provider's right to due process.

Of the OSC identified overpayments for review, OMIG's analysis has determined the following:

- OMIG has recovered \$941,554 of the OSC-identified overpayments through audits not specific to Essential Plan overlap. As a claim can only be recovered once, this precludes a future audit of these claims.

- 141 payments totaling \$135,639 have been identified for recovery by OMIG in audits not specific to Essential Plan. As a claim can only be recovered once, this precludes any future audit of these claims.
- 5,538 claims totaling \$647,227 are already included in other OMIG audit universes. Claims included in other universes are not eligible to be audited more than once.
- 72,112 claims totaling \$29,131,189 which are no longer recoverable due to regulatory limitations.

## **Recommendation #2**

*Review controls and take corrective actions to address issues that caused improper Medicaid and Essential Plan enrollment overlaps, including but not limited to:*

- *eMedNY and NYSOH Force Closure processing weaknesses;*
- *NYSOH assignment of multiple account numbers and/or Health Benefit IDs to the same individual; and*
- *NYSOH and eMedNY 834 transaction processing that yield unintended results.*

Status – Partially Implemented

Agency Action – The initial audit found weaknesses within DOH’s automated processes that resulted in overlapping enrollments in Medicaid and the Essential Plan for the same recipient. Many of these improper enrollment overlaps likely occurred due to gaps in the Force Closure processes. The Force Closure processes identify WMS-enrolled Medicaid recipients, and trigger NYSOH to search for and terminate active Essential Plan enrollments in NYSOH found for those WMS-enrolled Medicaid recipients. However, DOH did not include all WMS enrollments in its Force Closure processes. Other likely causes of overlapping enrollments were errors in NYSOH and eMedNY 834 transactions (enrollment data is transmitted between NYSOH and eMedNY electronically via 834 transactions) as well as NYSOH’s assignment of multiple Health Benefit IDs to the same individual.

During the initial audit fieldwork, DOH officials completed multiple NYSOH system improvements to address weaknesses in the Force closure processes, 834 transactions not processing as intended, and NYSOH’s assignment of multiple Health Benefit IDs to the same individual. However, the initial audit found overlapping enrollment periods continued to occur after these projects were deployed, indicating improvements were still necessary to prevent improper payments. As part of these system improvements, DOH developed a monthly report to identify individuals with multiple Health Benefit IDs and began using the reports to resolve the duplicate Health Benefit IDs in July 2020. However, due to the COVID-19 public health emergency, data corrections to resolve the duplicate Health Benefit IDs were subsequently put on hold until they resumed in June 2023. For example, DOH’s June 2023 report contained 15,481 distinct Social Security numbers with at least two Health Benefit IDs. In our follow-up, we took a non-statistical random sample of 20 of these recipients and confirmed that either the duplicate health Benefit IDs had been inactivated or the recipient had never completed the application process under the duplicate ID. We cannot project the results to the population.

The actions taken by DOH at the time of our follow-up will likely not address all causes of improper overlapping enrollments. DOH officials stated that they are planning to implement additional improvements in eMedNY and NYSOH to prevent overlapping enrollments and avoid overpayments, but these projects were not yet implemented.

### **Response #2**

NYSOH and eMedNY staff continue to work together to correct 834 issues that caused unintentional enrollment errors daily with data corrections. The Department has initiated an eMedNY evolution project to improve overlaps between the Essential Plan and Medicaid. The project, EP 7629, is scheduled for release on September 26, 2024. This project is currently in the design phase. A requirement of the project will be to treat the Essential Plan as Third-Party Health Insurance which is a change from current functionality. Furthermore, future enhancements to the Forced Closure process will ensure that enrollments in the Welfare Management System will also result in disenrollments of the same consumer in NYSOH. Additionally, the Department corrects duplicate Health Benefit IDs on a monthly basis now that the public health emergency has ended.

### **Recommendation #3**

*Develop and implement periodic reconciliations between the Medicaid and Essential Plan programs to detect duplicative enrollments and take corrective actions, including recovery of improper payments.*

Status – Partially Implemented

Agency Action – The initial audit found that DOH did not have sufficient processes to detect improper overlapping Medicaid and Essential Plan enrollments and recover improper payments. Beginning in November 2022, DOH implemented a monthly review process that identifies recipients with multiple Health Benefit IDs who are or were enrolled in Medicaid and the Essential Plan simultaneously. The process starts with a report identifying overlaps generated in the NYSOH system, which is then manually reviewed by DOH staff. For example, DOH's October 2023 report identified 6,246 potential overlapping Medicaid and Essential Plan enrollment periods. Of the 6,246 enrollment periods, 735 were active at the time of the report and had been in place for over 2 months, but had not yet been corrected. In November 2023, DOH increased this report's frequency to twice a month to allow for more accurate and timely overlap corrections. DOH officials stated that these corrections should automatically result in recoveries; however, they were unable to identify any such recoveries. While we commend DOH for this progress, we note that a recipient having multiple health Benefit IDs was only one cause of enrollment overlaps identified by the initial audit and that duplicative enrollments caused by other factors, such as gaps in the Force Closure process, would not be detected by this reconciliation.

### **Response #3**

The Department is working with the New York State Technology Enterprise Corporation on a reconciliation process of Essential Plan and Medicaid Managed Care enrollments that compares enrollment and payment details from the issuers data, the NYSOH system, and eMedNY. DOH is developing a process to ensure that the overlap corrections have had premium payments recouped from the plans.