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OFFICE OF THE STATE COMPTROLLER

August 17, 2021

Howard A. Zucker, M.D., J.D.
Commissioner
Department of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Re: Improper Managed Care Premium
Payments for Recipients With
Duplicate Client Identification
Numbers
Report 2020-F-22

Dear Dr. Zucker:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Health to implement the recommendations contained in our audit report *Improper Managed Care Premium Payments for Recipients With Duplicate Client Identification Numbers* (Report [2018-S-24](#)).

Background, Scope, and Objective

The Department of Health (Department) administers the State's Medicaid Program. Under the federal Patient Protection and Affordable Care Act of 2010, the State developed the NY State of Health (NYSOH), an online marketplace where individuals can obtain Medicaid. Of the approximately 7.3 million recipients enrolled in Medicaid during State fiscal year 2019-2020, about 4.5 million enrolled through NYSOH. Additionally, the State's Local Departments of Social Services (Local Districts) determine eligibility and enrollment for certain segments of the Medicaid program and use the Welfare Management System (WMS) to process applicant data. WMS is composed of two components: a downstate system for New York City area recipients and an upstate system for recipients in the rest of the State.

Each individual who applies for Medicaid benefits is assigned a Client Identification Number (CIN), a unique identifier. Medicaid recipients may have more than one different CIN assigned to them (herein referred to as "duplicate CINs") during the time they are in receipt of benefits; however, only one of the CINs should have active eligibility at a time. Concurrent active eligibility under more than one CIN for the same recipient should be terminated to prevent duplication of benefits.

Regardless of the system (NYSOH, WMS downstate, or WMS upstate) from which an individual's Medicaid eligibility and enrollment information originates (including the assignment of CINs), it is transmitted to the Department's eMedNY claims processing and payment system.

The eMedNY system relies on the information sent by NYSOH and WMS to update eligibility and enrollment data necessary to make appropriate Medicaid payments.

We issued our initial audit report on July 29, 2019. The audit objective was to determine whether improper Medicaid managed care premiums were paid on behalf of recipients with duplicate CINs. The audit covered the period January 1, 2014 to June 30, 2018. The initial audit identified over \$102.1 million in improper managed care premium payments on behalf of 65,961 recipients with duplicate CINs. Many of the problems were due to incorrect/missing recipient demographic information and limited access to the multiple eligibility systems during the application process. The Department, Local Districts, managed care organizations (MCOs), and State Office of the Medicaid Inspector General (OMIG) all have processes to identify and resolve duplicate CINs; however, their systems are not fully integrated so there was no central tracking database. The Department recently allocated additional resources to duplicate CIN research and resolution and created the Division of Eligibility and Marketplace Integration (DEMI) unit for this purpose; however, the audit identified certain weaknesses in the DEMI unit's processes.

The objective of our follow-up was to assess the extent of implementation, as of November 19, 2020, of the 10 recommendations included in our initial audit.

Summary Conclusions and Status of Audit Recommendations

Department officials made significant progress in addressing the problems we identified in the initial audit report. For example, the Department implemented additional NYSOH functionality to help prevent the creation of duplicate CINs, and also enhanced the DEMI unit's role as the central oversight entity responsible for duplicate CIN resolution. However, additional action is still needed. Although OMIG recovered about \$50.8 million of the \$102.1 million identified, the remaining \$51.3 million still needed to be reviewed and recovered. Furthermore, we determined Medicaid may have overpaid an additional \$14.3 million in managed care premium payments on behalf of 14,293 potentially duplicate CINs for the period July 1, 2018 to August 31, 2020. According to Department officials, many of these duplicate cases have been resolved or are currently being reviewed. We encourage the Department to review the remaining cases we identified and recover improper managed care premium payments where applicable. Of the initial report's 10 audit recommendations, eight were implemented and two were partially implemented.

Follow-Up Observations

Recommendation 1

Review the \$102.1 million in improper premium payments we identified and make recoveries, as appropriate.

Status – Partially Implemented

Agency Action – OMIG investigates and recovers improper Medicaid payments on behalf of the Department. As of September 18, 2020, OMIG had recovered about \$50.8 million in overpayments, leaving \$51.3 million to be reviewed and recovered as appropriate. At the conclusion of our follow-up review, OMIG stated it plans to continue pursuing recovery of any payment determined to be inappropriate. We note that OMIG may have already lost the opportunity to recover over \$6.4 million in overpaid premium payments we identified for calendar year 2014 due to federal look-back provisions. We encourage

the Department and OMIG to take prompt action on the remaining improper payments to prevent further loss of recoveries.

Recommendation 2

Take steps to ensure the DEMI unit and Local Districts resolve the remaining duplicate CIN pairs identified in this audit.

Status – Implemented

Agency Action – Over 99% of the 65,961 duplicate CIN pairs identified in the initial audit had been resolved at the time of our follow-up review. We encourage the Department to promptly resolve the remaining 317 duplicate CIN pairs with active eligibility.

Recommendation 3

Take steps to ensure Local Districts make timely and accurate updates to demographic information on all Medicaid cases (at the time when caseworkers receive such information) to allow proper CIN assignment for new applications and efficient reconciliation of existing duplicates.

Status – Implemented

Agency Action – The initial audit found that outdated and insufficient demographic information made it difficult for Local Districts to identify existing CINs of enrollees and, therefore, increased the likelihood a duplicate CIN would be created. Since then, the Department has implemented an internal quality improvement process to monitor the timeliness, accuracy, and efficiency of CIN correction and consolidation by Local Districts.

The Department also issued a General Information System message in November 2020 to remind Local Districts of the WMS CIN correction and consolidation procedures, provide guidance on the correction process for duplicate CINs, and introduce a new quarterly report. The Department will use the report to monitor and document the corrective actions Local Districts take on duplicate CINs and to assist with a new centralized oversight function within the Department for the detection and resolution of duplicate CINs.

Recommendation 4

Implement enhanced NYSOH functionality by the expected time frame of the fourth quarter of 2019 to prevent the creation of future inappropriate duplicate CINs.

Status – Implemented

Agency Action – The initial audit found weaknesses in the NYSOH CIN clearance process (an automated process in which NYSOH checks if an applicant already has a CIN), but that the Department had started work on enhanced functionality of NYSOH’s CIN clearance process to better identify consumers who already had coverage. The Department implemented the enhanced NYSOH functionality through implementation of three of four change requests.

- Change Request 1 modified the CIN clearance process to reduce the instances of duplicate CINs being created by adjusting the NYSOH CIN rating process.

- Change Request 2 reduced the instances of duplicate CINs being created by allowing NYSOH Back Office staff more access to view the data and manage the assignment of CINs.
- Change Request 3 designed a solution where the NYSOH system tracks changes/updates to a member's demographic information and allows Back Office users to view these changes/updates.
- Change Request 4 provides Back Office functionality to support the generation, assignment, and status changes of CINs and other identifiers, which include corrections and/or overrides. This change request was in the testing phase at the time of our follow-up review.

Consequently, there has been a reduction in the number of duplicate CINs created within NYSOH.

Recommendation 5

Establish a central oversight entity responsible for all duplicate CIN detection and resolution, and evaluate the feasibility of building a central tracking database of potential duplicate CINs that shows the status of each case and can be shared among all the stakeholders in the duplicate CIN research and resolution process.

Status – Implemented

Agency Action – The initial audit found DEMI only reviewed potential duplicate CINs when at least one CIN was created by NYSOH, and not those that only involved non-NYSOH-created duplicate CINs. However, DEMI is now responsible for coordinating the resolution of all duplicate CINs. DEMI's comprehensive and detailed work procedures include working with various stakeholders including NYSOH, eMedNY, and Local Districts to resolve duplicate CINs.

In addition, in July 2019, DEMI developed a new database to identify and monitor duplicate CINs active on WMS upstate and WMS downstate in order to increase central oversight. The database was created as a vessel to hold reports pulled monthly from eMedNY as well as the various telephone call and email reporting of duplicate CINs. Stakeholder Relations and Exchange Support (SRES), a work unit within DEMI, will use the new database to generate reports/templates and track the efficiency of duplicate CIN resolution and consolidation activity for all Medicaid enrollees.

Recommendation 6

Ensure that the DEMI unit takes steps to improve the efficiency and timeliness of duplicate CIN research and resolution, including, but not limited to, expanding the prioritization methodology to include active eligibility status of the potential duplicate CINs and the cost of associated managed care premium payments, and establishing a benchmark for the time it takes to resolve duplicate CINs.

Status – Partially Implemented

Agency Action – DEMI established work procedures/manuals to improve the efficiency and timeliness of duplicate CIN research and resolution, such as prioritizing duplicate CINs with active coverage, and established a goal to coordinate the termination of duplicate

Medicaid coverage due to duplicate CIN assignment within one month of the identified error. DEMI stated that SRES does not prioritize duplicate CIN research efforts based on the cost of associated managed care premiums. According to Department officials, duplicate CIN resolution based on costs could not be done without first manually researching all CIN pairs to determine the CINs with the highest costs and then assigning them for resolution. However, we strongly encourage the Department to reconsider the plausibility of developing an efficient method to include the costs of the associated managed care premium payments when prioritizing duplicate CIN research and resolution.

Recommendation 7

Evaluate the feasibility of updating the logic used by eMedNY's duplicate CIN reports to include additional criteria for identifying and properly scoring potential duplicate CIN matches.

Status – Implemented

Agency Action – The initial audit found that the eMedNY program logic used by eMedNY's duplicate CIN reports was outdated and did not identify all potential duplicates. In response to the initial audit, the Department evaluated the feasibility of updating the logic. As a result, on July 23, 2020, the Department implemented a change request to transfer Social Security number validation results from NYSOH to eMedNY to enable the Department to better identify and properly score potential duplicate CINs.

Recommendation 8

Monitor all MCOs' compliance with the requirement to identify and report duplicate CINs to the Department and Local Districts. Ensure non-compliant MCOs (including the MCO we identified) promptly take corrective steps to perform the reviews quarterly and report duplicate CINs within 30 days of identification.

Status – Implemented

Agency Action – The initial audit reviewed four of the larger MCOs and found that each MCO had its own unique process, and all but one continuously reviewed their enrollees to identify duplicate CINs. One MCO only checked for duplicate CINs during the enrollment process, contrary to the requirements of the Medicaid Managed Care Model Contract.

On September 17, 2018, after the scope of the initial audit, the Department's Office of Health Insurance Programs and OMIG sent the MCOs a report template and a letter with instructions for the MCOs to use the template to report duplicate CINs on a quarterly basis. The Department tracks these quarterly duplicate CIN report submissions. MCOs that fail to submit the report are contacted by Department staff and reminded of the requirement to submit the reports on a quarterly basis and the dates the reports are due. As of May 2019, all MCOs were submitting the quarterly reports, including the non-compliant MCO identified in the initial audit.

Recommendation 9

Monitor duplicate CIN resolutions among the Human Resources Administration (HRA) and the New York City Administration for Children's Services (ACS) subsequent to the new data-sharing agreement, and take further corrective actions, if necessary.

Status – Implemented

Agency Action – In August 2018, ACS and HRA established a data-sharing agreement to allow the two agencies to periodically share information about recipients with duplicate CINs who might have more than one active Medicaid enrollment at a time. Subsequent to the data-sharing agreement, the Department monitors the efforts between HRA and ACS to resolve and reduce duplicate CINs for children in receipt of welfare services.

Recommendation 10

Evaluate the feasibility of creating a control to prevent confirmed duplicate CINs from being reused in the future.

Status – Implemented

Agency Action – The Department evaluated the feasibility of creating a control to prevent confirmed duplicate CINs from being reused. The Department initiated a change request to create a retired CIN table to prevent existing CINs from being used again. This project was in the process of being implemented but was delayed due to the COVID-19 pandemic. The Department still plans to implement this change request when possible. We encourage the Department to expedite the execution of this change request.

Major contributors to this report were Thomas Sunkel, Caitlin Colacino, and Fiorella Seminario.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the Department for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Christopher Morris
Audit Manager

cc: Mr. Robert Schmidt, Department of Health
Mr. Frank T. Walsh, Jr., Acting Medicaid Inspector General