

New York State OMIG Releases 2014-2015 Work Plan

The New York State Office of Medicaid Inspector General (OMIG) recently released its State Fiscal Year 2014-2015 Work Plan (Work Plan) covering April 1, 2014, through March 31, 2015. It provides a roadmap for OMIG's eighth year of operations, incorporates federal and state changes to the Medicaid program, and represents the third year in which Business Line Teams (BLTs), OMIG's specialized, multi-disciplinary teams, will coordinate OMIG's efforts with federal, state and local partners. This year's work plan contains multiple-BLT and individual BLT, strategies and activities and focuses on expanding review of Medicaid managed care and compliance.

OMIG Assigns the Specific Activities Listed Below to BLTs

- > **Managed Care** – Not surprisingly, given the preponderance of Medicaid patients now receiving services through Medicaid managed care, OMIG states that its focus on managed care “will expand this year and for the foreseeable future” and plans on reviewing whether managed long term care plans (MLTCs) are properly enrolling and managing the care of their members; OMIG will strengthen system controls and adopt best practices, including reviewing the managed care edits that validate patient encounter records. OMIG will also expand its focus to include investigation and audit of social adult day care centers focusing on credential verification, overcrowding, improper solicitation of clients, and whether unqualified MLTC clients have been enrolled. The ongoing audit and review of duplicate billing, coding, and, retroactive disenrollment continue.
- > **Mental Health, Chemical Dependence, and Developmental Disabilities Services** – The Work Plan is nearly identical to 2013's work plan, except that OMIG omits partial hospital and comprehensive psychiatric emergency program audits. Audits of chemical dependence inpatient and outpatient providers, community residence rehabilitation programs, day habilitation and day treatment programs, outpatient mental health providers, and supported employment services and pre-vocation programs all continue as does the review of whether comprehensive outpatient program supplement payments have exceeded annual thresholds.

- > **Pharmacy and Durable Medical Equipment (DME)** – The Work Plan calls for a continuing review of billing submitted by pharmacy and DME providers and again targets the diversion of drugs, the complicit and non-complicit overprescribing of drugs, resale of drugs paid for by Medicaid and proper authorization of written prescriptions. Unlike 2013, OMIG does not specifically target the use of atypical antipsychotics in residential facilities. OMIG does add one new line of inquiry for DME – audits of prepayment reviews for orthopedic shoes to determine the appropriateness of the shoes and the adequacy of the supporting documentation.
- > **Physicians, Dentists, and Laboratories** – OMIG contemplates a narrower scope of review for dentists and physicians and, as with the 2013 plan, does not specifically reference laboratory audits. Review of orthodontic and excessive preventative dental services, services ordered by an excluded provider, improper cross over claims submitted by clinical psychologists and social workers and excessive ordering of controlled substances, continue.
- > **Residential Health Care Facilities** – This OMIG BLT reviews assisted living programs (ALP) and nursing facilities. Review of whether: (1) services were rendered in assisted living programs consistent with the plan of care and billed separately when included in the per diem rate, (2) residential health care facility rates were properly calculated including reviewing the underlying capital costs (3) Medicare Part B offset for nursing facilities identified as high risk facilities were accurate and (4) nursing facilities' minimum data set submissions and bed hold payment claims were properly compiled, continue. OMIG omits specific review of a nursing facility's improper billing for ancillary services included in the Medicaid per diem rate and omits mention of PRI reviews, both of which were specifically referenced in the 2013 plan.
- > **Transportation** – The Work Plan is virtually identical to last year's work plan and continues efforts to identify high ordering Medicaid transportation providers and review whether transportation providers are both either using inactive national provider identification numbers (NPIs), failing to document the driver's license and/or plate number or using disqualified drivers. OMIG will also continue to review selected transporter's claims to identify whether transportation services were provided at the threshold that was medically necessary. Audits will also include random field inspections to determine compliance with Medicaid rules and regulations.
- > **Home and Community Care Services** – The Work Plan is similar to the 2013 plan, although it adds personal care services as a subject of verification audits. OMIG continues to review certified home health agencies, long term health providers, personal care aides, traumatic brain injury and private duty nursing services all for appropriate provision of services, consistency with the plan of care, proper application of spend down rules, billing by home health and personal care providers when the patient is not at home, and proper Medicaid billing for home health aide services when the patient is a dual eligible. OMIG also continues audits of certified home health agencies (CHAA) and long-term home health care programs (LTHHCP) cost reports to verify Medicaid capitation rates and examine these providers with high Medicaid utilization, focusing on funds allocated for worker recruitment, training and retention.
- > **Hospital and Outpatient Services** – The Work Plan is identical to last year's work plan, which focused on review of outpatient services, improper billing for ER clinic and ancillary services when the patient has been admitted, hospital non-emergency services provided to non-US residents, diagnostic and treatment center visits focusing on HIV primary care services and

physical, occupational and speech therapy as well as appropriateness of payments to federally qualified healthcare centers.

- > **Medical Service In An Education Setting** – OMIG continues to audit possible duplicate payments (claims billed to Medicaid and Office for People With Developmental Disabilities (OPWDD)) as well as reviewing whether school supportive health services are being rendered in accordance with the child’s individualized education program (IEP).

OMIG’s Multiple BLT Activities

The FY 2014-2015 Work Plan (Work Plan) continues the County Demonstration Program which, since 2006, partners with local districts to develop innovative approaches to fighting fraud, waste and abuse. The County Demonstration Program will focus its audits in the areas of pharmacy, transportation and durable medical equipment.

Multiple BLT review activities identified by OMIG are primarily a continuation of those from 2013, e.g., compliance program reviews and corporate integrity agreement enforcement, review of improper kickbacks and inducements, managed care reviews, third-party retroactive recovery projects, prepayment audits and insurance verification disqualified providers, unregistered service locations review as well as collaborative and recipient enrollment issues.

This year, the Work Plan highlights its “Undercover Operations” (first raised in the 2011 Work Plan) and its use of undercover investigators posing as Medicaid recipients to detect fraud and abuse including overprescribing and billing for services not rendered. OMIG is actively recruiting for Medicaid investigators in the New York City area.

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