



STATE OF NEW YORK  
DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

Richard F. Daines, M.D.  
*Commissioner*

Wendy E. Saunders  
*Executive Deputy Commissioner*

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Office of the State Comptroller

**APR 23 2009**

Lynn Canton  
Deputy Comptroller

April 15, 2009

Lynn Canton, Deputy Comptroller  
NYS Office of the State Comptroller  
110 State Street  
Albany, New York 12236

Dear Ms. Canton:

Pursuant to the provisions of Section 170 of the Executive Law, I hereby transmit to you a copy of the New York State Department of Health's comments related to the Office of the State Comptroller's final audit report 2007-S-100 on "Medicaid Fee For Service Payments For Managed Care Recipients."

Sincerely,

A handwritten signature in black ink, appearing to read 'R. F. Daines'.

Richard F. Daines, M.D.  
Commissioner of Health

Enclosure

**Department of Health  
Comments on the  
Office of the State Comptroller's  
Final Audit Report 2007-S-100 on  
"Medicaid Fee For Service Payments for Managed  
Care Recipients"**

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The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) final audit report 2007-S-100 on "Medicaid Fee For Service Payments for Managed Care Recipients."

**Recommendation #1:**

Investigate the approximately \$3 million in fee-for-service payments identified and recover inappropriate payments.

**Response #1:**

The Office of the Medicaid Inspector General (OMIG) performs a regularly scheduled cross-over match of fee-for-service inpatient payments made on behalf of newborns with mothers enrolled in a managed care plan. Preliminary OMIG review indicates that some of the OSC findings are covered by this existing match process. The OMIG is continuing to review the claims identified by the OSC and will augment match criteria and/or recover payments as appropriate.

**Recommendation #2:**

Ensure managed care plan enrollment information is updated timely.

**Response #2:**

The Department agrees and has established a workgroup to identify and evaluate opportunities for ensuring the timely update of managed care plan information. This workgroup is comprised of staff from various Divisions within the Department and representatives of managed care plans and the Greater New York Hospital Association (GNYHA).

**Recommendation #3:**

Continue efforts to gain full hospital compliance with Medicaid regulations requiring the reporting of live births within five business days.

**Response #3:**

The Department agrees and will continue its efforts to achieve full hospital compliance with Medicaid newborn reporting regulations, including routine monitoring of the

timeliness of hospitals' reporting. The Department, in conjunction with the workgroup noted above, has developed and implemented procedures for citing hospitals that fail to report or incorrectly report the birth of a Medicaid newborn. This Notice of Deficiency process is expected to result in a significant reduction in the overall number of non-reports and reporting errors, with the ultimate goal of enrolling newborns into their appropriate health care plan in the most timely manner possible.

Additionally, over 120 hospital staff were trained on the Medicaid newborn reporting requirements, including the ramifications of non-reporting and late reporting. This training was a joint venture of the Department and the GNYHA. Similar training targeting Medicaid managed care plans is planned.