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October 16, 2003

Antonia C. Novello, M.D., M.P.H., Dr. P.H.
Commissioner
Department of Health
Corning Tower, Empire State Plaza
Albany, New York 12237

Mr. Robert Doar
Acting Commissioner
Office of Temporary and Disability Assistance
40 North Pearl Street
Albany, New York 12243

Re: Report 2003-F-16

Dear Dr. Novello and Mr. Doar:

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 reviewed the actions taken by officials of the Department of Health (DOH) and the Office of Temporary and Disability Assistance (OTDA) as of September 18, 2003, to implement the recommendations contained in our audit report, *Medicaid Eligibility Under TANF Assistance* (Report 2000-S-22). Our report, which was issued on April 10, 2001, examined efforts by DOH and OTDA to ensure that local social services districts conduct Medicaid eligibility reviews, when necessary, for Temporary Assistance for Needy Families (TANF) program applicants and TANF program recipients who become ineligible for such assistance.

Background

Eligibility for public assistance programs is determined by local social services districts, which are overseen by OTDA. Individuals who are ineligible for public assistance funded by the TANF program may be eligible for Medicaid. Therefore, when an individual is denied, or loses, TANF benefits, the individual's eligibility for Medicaid must be determined in a separate review. The application for TANF and Medicaid is processed by 58 local social services districts in New York State, including New York City. Although DOH and OTDA continue to work jointly to disseminate information regarding Medicaid policy and eligibility to the districts, DOH is the agency responsible for the administration of Medicaid and providing direction regarding Medicaid eligibility in New York State.

Summary Conclusions

In our prior audit, we selected nine social services districts and sought to determine whether they conducted separate reviews of Medicaid eligibility whenever it was required. At our request, the districts examined a number of instances in which such reviews had not been conducted. In some of these instances, they identified individuals who would have been considered eligible for Medicaid if their cases had been reviewed. We recommended that DOH and OTDA work with the local districts to ensure that Medicaid eligibility is reviewed when required.

In our follow-up review, we found that DOH and OTDA have implemented the recommendations contained in our prior audit.

Summary of Status of Prior Audit Recommendations

DOH and OTDA officials have implemented both of our prior audit recommendations.

Follow-up Observations

Recommendation 1

DOH and OTDA should work collectively to ensure:

- *districts develop and implement a system of procedures/controls to ensure that TANF applicants determined not to be TANF eligible and TANF recipients who are deemed ineligible for TANF receive a separate Medicaid determination when required;*
- *districts comply with 99-INF-6 and other guidance issued by OTDA and DOH; and*
- *information on best practices utilized by districts is communicated to other districts for their consideration.*

Status - Implemented

Agency Action - DOH officials told us the new State statute that has taken effect since our audit states explicitly that DOH has primary control over district compliance with Medicaid eligibility requirements. However, DOH officials told us they continue to work closely with OTDA to ensure that procedures are being followed. For example, both agencies have worked together to provide local district staff with training and guidance. In November 2000, they presented a joint teleconference entitled "Medicaid Separate Determinations" that was aimed at local social services district staff. The teleconference program emphasized appropriate practices and procedures intended to ensure that a Medicaid eligibility determination is made whenever a cash assistance case is denied or closed. It also included a segment in which local districts shared their best practices.

In addition, DOH has implemented process reviews in many local districts to check on program operations and to ensure that procedures related to separate determinations are being followed at the local level. During the past three years, DOH staff have conducted

about 30 such reviews. When we reviewed three of these process reviews, we determined that they covered the local districts' practices and procedures. This included compliance with 99-INF-6 regarding the process for making separate Medicaid-eligibility determinations after a TANF case has been denied or closed.

Recommendation 2

Ensure that the districts make timely determinations of the eligibility for Medicaid of the 72 persons in our samples for whom sufficient information was not available.

Status - Implemented

Agency Action - Our prior audit team had provided the sampled districts with the case numbers of clients for whom separate determinations had not been made, and had requested that they provide documentation that the case files had been reopened and that separate determinations had been made where required. After reviewing a sample of this documentation, we determined that separate determinations had been made as directed.

Major contributors to this report were John Buyce, Joel Biederman, and Don Wilson.

We thank Department of Health and Office of Temporary and Disability Assistance management and staff for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Frank J. Houston
Audit Director

cc: Thomas E. Howe, Director, DOH Audit Unit
Christine Unson, OTDA Coordinator for External Audits
Deirdre A. Taylor, Division of the Budget