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FOR THE CITY OF NEW YORK

June 6, 1996

The Honorable Howard Safir
Commissioner
New York City Police Department
One Police Plaza
New York, New York 10008

Re: Follow-up Review of Audit Report on
*Opportunities to Improve the Absence Control
Program (A-15-93)*,
Report No. A-13-96

Dear Commissioner Safir:

Pursuant to the State Comptroller's authority as set forth in the State Constitution, the General Municipal Law and the Unconsolidated Laws of the State of New York, we have reviewed the actions taken by the New York City Police Department (NYPD) to implement the recommendations contained in our prior audit report issued January 31, 1994.

Our prior audit concluded that the Police Department's Absence Control Program appeared to be operating effectively. However, opportunities existed to better achieve the objective of the program. For example, we recommended that contact be made either by telephone or home visit, with all officers on sick leave. Also, we recommended that the Department eliminate the discrepancies between the data on the Absence and Tardiness Records collected at the local command and the information available through the NYPD central sick leave data base.

We previously reported estimated overpayments to providers totaling \$125,154 from an examination of a random sample of medical bills for officers with line-of-duty injuries during calendar year 1992. We recommended that bill-processing employees

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receive better training in Workers' Compensation medical treatment rules and regulations, including those pertaining to providers' fees. Furthermore, we learned that NYPD processed payments manually as opposed to the New York City Law Department which uses a computerized system to process claims, thereby reducing the possibility for error.

From this follow-up review we concluded that NYPD has implemented the four recommendations.

This follow-up was conducted between December 1995 and March 1996. Additional background information and details of our findings are contained in the attached Appendix. We are grateful to the staff of the New York City Police Department for the courtesies and cooperation extended to our auditor during this follow-up review.

Sincerely,

Rosemary Scanlon

**Follow-up Review of
Opportunities To Improve
The Absence Control Program**

Background

The New York City Police Department (NYPD) is budgeted in fiscal 1996 for 36,722 uniformed officers, up from 28,000 in fiscal 1992, the period of our prior audit. The increased force resulted both from additional police funded by the "Safe Streets" legislation and the merger of the Transit and Housing Police into the NYPD.

Uniformed police officers are allowed unlimited sick leave for illnesses and injuries incurred both in the line of duty and off duty. Officers who call in sick are supposed to be visited or called at home by the Absence Control Unit (ACU), a part of NYPD's Health Services Division (HSD). These visits and calls are intended to verify that the officers are at home, as required by regulation. Depending on the officer's sick leave history, he or she can be required to report to one of HSD's 15 Medical Districts, which monitor the medical condition of uniformed officers. Preventing sick leave abuse is a function of ACU.

HSD's Medical Bills Unit (MBU) is responsible for processing the payment of medical bills relating to officers' line-of-duty injuries. Medical providers of services to injured officers are reimbursed at pre-established rates set by the Workers' Compensation Board. As part of the payment process, the activity of each MBU worker is recorded on a daily Activity Report. The Activity Report includes adjustments made to the billings by the worker for items such as duplicate billing, arithmetic inaccuracy, and claims for disallowed medical procedures. The November 1995 Summary, a summary of the daily Activity Reports, showed total adjustments or savings in the amount of \$218,731 on gross billings of \$923,044. MBU reported processing 34,235 medical bills (14,383 vouchers) in calendar year 1995, up from 20,856 medical bills (13,681 vouchers) in the previous year. MBU attributed the increase in the number of medical bills processed to the merger of the Housing and Transit Police into NYPD; however, no analysis documenting this correlation was provided to us.

We conclude from our review that all four recommendations from the prior audit were implemented, using the following standard

Implemented - auditee agreed with the recommendation, and we verified that action was taken to adopt the recommendation or an alternative approach that achieved the same objective.

Follow-up Observations, By Recommendation

1. **The Absence Control Unit should ensure that field sergeants contact officers by telephone when sick leave home visits cannot be made, as required.**

Status - Implemented

Agency Action - During March 1996, daily sick leave absence calls ranged between 300 and 400. We matched calls recorded on the Daily Sick Reports for a sample of officers to the Sergeants' Daily Worksheets, and determined that contact is being made, mostly by home visit.

2. **The Police Department should periodically reconcile a sample of the Absence and Tardiness Records to the data on FINEST [the NYPD central computer system].**

Status - Implemented

Agency Action - In December 1993, NYPD's Inspection Division issued a bulletin with instructions to all commands citing our audit recommendation that this periodic reconciliation be performed as part of the monthly self-inspection at each precinct. We reviewed Absence and Tardiness Records at two precincts in Manhattan, and found that both periodically reconcile their records with the HSD sick leave data base.

3. **The Medical Bills Unit should provide ongoing training to its employees, which includes updates of rules, regulations and procedures, and reviews of common billing errors.**

Status - Implemented

Agency Action - Between December 1994 and October 1995, MBU distributed to its employees memos updating regulations, procedures, and common billing errors. In this regard, MBU could compile a manual concentrating in one source all required medical bill processing procedures, Workers' Compensation regulations, fee schedules, and other information necessary for the timely and accurate authorization and payment of medical bills. The medical bill processors at the New York City Law Department Workers' Compensation Unit use such a manual in performing this function, and the manual is periodically updated.

- 4. The Police Department should explore the feasibility of implementing a computerized system which detects unauthorized medical services and duplicate payments.**¹

Status - Implemented

Agency Action - At the time of this follow-up, MBU still processed medical bills manually. However, MBU staff had implemented our recommendation and visited the site of the New York City Transit Authority medical bills payment unit. They observed the operation of its computerized system and actually used the system to process a series of transactions. Also, NYPD had engaged a consultant to computerize the MBU operation. During the follow-up we had inquired at both the Transit Authority and Fire Department about their systems. The consensus at both organizations was that use of the computer expedited the processing of bills and enhanced their ability to detect unauthorized medical services and duplicate payments. Subsequent to our field work, we were informed that MBU had installed and was conducting a pilot run of computer software to replace MBU's manual processing of medical bills. This is apparently the same software used by the Transit Authority and the Fire Department to process medical bills.

¹ Our original recommendation referred to a similar system used by New York City Transit Authority.