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FOR MORE INFORMATION:
WILLIAM VAN SLYKE (HANYS)
(518) 431-7770
ROGER NOYES (HCA)
(518) 810-0665

Joint Statement From Healthcare Association of New York State President Daniel Sisto and Home Care Association of New York State President Joanne Cunningham

OFFICE OF MEDICAID INSPECTOR GENERAL SHOULD TARGET FRAUD

ALBANY, N.Y. — "The state's Office of Medicaid Inspector General (OMIG) was established to ensure the integrity of the Medicaid system. We strongly support that critical mission and agree with OMIG that the small number of providers who engage in fraud harm both the state's Medicaid system as well as the entire health care industry and, therefore, must be held accountable for their actions.

"However, it is our view that OMIG has veered sharply from its original intended mission to protect New York's Medicaid program. Instead, it has begun to lean heavily on often-conflicting technical interpretations of statute and minor or insignificant documentation errors to exact enormous Medicaid payment recoveries for services that providers dutifully rendered to patients who were eligible for the care they needed and ultimately received.

"Thousands of claims amounting to millions of dollars in medically necessary services are routinely denied by OMIG auditors due to inconsequential documentation errors and technical irregularities such as misspelled patient names and even, in some cases, due to procedural circumstances beyond the health care provider's control, such as delays in the receipt of physicians' orders. In the vast majority of these cases, the appropriateness and quality of care delivered is not in dispute.

"At a time when health care providers have been assailed by six rounds of damaging health care cuts and taxes in less than two years—with still more cuts likely on the horizon—our member institutions cannot weather unfair and unreasonable payment denials by OMIG.

"OMIG should focus on the truly bad actors in our system rather than look for technical excuses to recoup dollars from quality providers."

The two Associations provided joint testimony today before the New York State Senate Committee on Investigations and Government Operations. The testimony details specific areas of concern, including:

- OMIG's intense emphasis on completely nullifying a Medicaid claim for medically necessary care provided, simply because the provider made a minor, technical error on the claim, such as a misspelled name.
- OMIG has overreached by using provider adherence to operational requirements ("conditions of participation") rather than payment criteria as a justification for rejecting Medicaid payments for medically necessary care.
- Providers rely on guidance issued by regulatory agencies, only to have OMIG apply different standards for Medicaid payment recovery purposes.
- OMIG has not released a guidance document to help providers in their compliance efforts.

HANYS and HCA asked the Committee to address OMIG's approach to audits.

The HANYS/HCA testimony is available online at www.hanys.org/communications/testimony.

The Healthcare Association of New York State (HANYS) is the only statewide hospital and continuing care association in New York State, representing more than 550 non-profit and public hospitals, nursing homes, home care agencies, and other health care organizations.

The Home Care Association of New York State (HCA), the state's premier home care association, represents more than 400 providers, individuals, and associate members who collectively serve thousands of New Yorkers.

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