

OFFICE OF THE MEDICAID INSPECTOR GENERAL

MISSION

The Office of the Medicaid Inspector General (OMIG) was statutorily established in 2006 – as an independent entity within the Department of Health – to improve and preserve the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all State agencies responsible for services funded by Medicaid.

In carrying out its mission, the Office conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with the Department of Health, and the Office of Mental Health, Office of Mental Retardation and Developmental Disabilities and Office of Alcoholism and Substance Abuse Services. In addition, the Medicaid Inspector General works closely with the Attorney General's Medicaid Fraud and Control Unit (MFCU) and Federal and local law enforcement agencies.

ORGANIZATION AND STAFFING

The Office is headed by the Medicaid Inspector General who is appointed by the Governor with the advice and consent of the Senate. The Office of the Medicaid Inspector General is headquartered in Albany with six regional field offices located throughout the state – in Buffalo, Hauppauge (Long Island), Rochester, Syracuse, White Plains and New York City.

The Office is organized into six bureaus – Information Technology and Fraud Detection Systems, Investigations and Enforcement, Medicaid Audit, Revenue Initiatives, Administration and Office of the Counsel – and will have a workforce of 760 positions in 2009-10.

BUDGET HIGHLIGHTS

The 2009-10 Executive Budget recommends **\$92.8 million All Funds** (\$35.2 million General Fund, \$57.6 million Other Funds) to support the operations of the Office of the Medicaid Inspector General. This is a decrease of **\$1.6 million** (\$0.3 million General Fund, \$1.3 million Other Funds) from the 2008-09 Budget. This change reflects increased personal service costs associated with new positions offset by non-personal service efficiencies and the elimination of funding suballocated to the Department of Law.

Major budget actions include:

- **Merger with the Office of the Welfare Inspector General:** The Budget recommends the merger of the Office of the Welfare Inspector General (OWIG) with OMIG, and transfers 10 positions and funding from that Office for the prevention and investigation of welfare fraud and abuse.
- **Department of Law Funding:** The Budget eliminates \$800,000 in funding suballocated to the Department of Law.
- **Non-Personal Service Efficiencies:** The Executive Budget saves \$1.8 million by reducing certain contractual service expenditures and utilizing OMIG staff to perform those functions.

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PROGRAM HIGHLIGHTS

The Medicaid program was established by the Federal government in 1965 as a health insurance program for the poor. Absent any additional reforms, New York's Medicaid program would cost \$48.2 billion in 2009-10. Medicaid provides coverage to nearly 4 million New Yorkers.

The Department of Health now processes more than 400 million Medicaid claims annually to approximately 60,000 active health care providers offering a wide range of services including nursing facility care, inpatient and outpatient hospital care, home health care, physician services, pharmaceuticals, and other services.

The 2009-10 Executive Budget provides the resources needed to support the Office of the Medicaid Inspector General's mission to prevent, detect, investigate and prosecute Medicaid fraud.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	94,350,000	92,745,000	(1,605,000)	50,610,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	94,350,000	92,745,000	(1,605,000)	50,610,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Medicaid Audit and Fraud Prevention			
General Fund	325	371	46
Special Revenue Funds - Federal	341	376	35
Special Revenue Funds - Other	13	3	(10)
Welfare Inspector General Program			
General Fund	4	4	0
Special Revenue Funds - Other	6	6	0
Total	689	760	71

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	35,514,000	35,187,000	(327,000)
Special Revenue Funds - Federal	52,348,000	52,284,000	(64,000)
Special Revenue Funds - Other	6,488,000	5,274,000	(1,214,000)
Total	<u>94,350,000</u>	<u>92,745,000</u>	<u>(1,605,000)</u>

Adjustments:

Transfer(s) From			
Special Pay Bill			
General Fund	(1,025,000)		
Special Revenue Funds - Federal	(1,738,000)		
Special Revenue Funds - Other	(93,000)		
Welfare Inspector General, Office of			
General Fund	(445,000)		
Special Revenue Funds - Other	(1,210,000)		
Appropriated 2008-09	<u>89,839,000</u>		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2008-09	Recommended 2009-10	Change
Medicaid Audit and Fraud Prevention			
General Fund	38,769,000	38,442,000	(327,000)
Special Revenue Funds - Federal	52,348,000	52,284,000	(64,000)
Special Revenue Funds - Other	1,578,000	364,000	(1,214,000)
Maintenance Undistributed			
General Fund	(3,700,000)	(3,700,000)	0
Special Revenue Funds - Other	3,700,000	3,700,000	0
Welfare Inspector General Program			
General Fund	445,000	445,000	0
Special Revenue Funds - Other	1,210,000	1,210,000	0
Total	<u>94,350,000</u>	<u>92,745,000</u>	<u>(1,605,000)</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	23,506,000	3,481,000	23,363,000	3,438,000
Welfare Inspector General Program	445,000	0	445,000	0
Total	<u>23,951,000</u>	<u>3,481,000</u>	<u>23,808,000</u>	<u>3,438,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	23,000	23,000	120,000	20,000
Welfare Inspector General Program	0	0	0	0
Total	<u>23,000</u>	<u>23,000</u>	<u>120,000</u>	<u>20,000</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	14,936,000	(3,808,000)	984,000	10,750
Total	<u>14,936,000</u>	<u>(3,808,000)</u>	<u>984,000</u>	<u>10,750</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	299,000	10,500	9,653,000	3,137,000
Total	<u>299,000</u>	<u>10,500</u>	<u>9,653,000</u>	<u>3,137,000</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	3,500,000	732,750	500,000	(7,699,000)
Total	<u>3,500,000</u>	<u>732,750</u>	<u>500,000</u>	<u>(7,699,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	52,648,000	(1,278,000)	23,995,000	(116,000)
Maintenance Undistributed	3,700,000	0	0	0
Welfare Inspector General Program	1,210,000	0	479,000	0
Total	<u>57,558,000</u>	<u>(1,278,000)</u>	<u>24,474,000</u>	<u>(116,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	28,153,000	4,838,000	500,000	(6,000,000)
Maintenance Undistributed	0	0	3,700,000	0
Welfare Inspector General Program	731,000	0	0	0
Total	<u>28,884,000</u>	<u>4,838,000</u>	<u>4,200,000</u>	<u>(6,000,000)</u>