

# **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.

## **BUDGET HIGHLIGHTS**

The 2011-12 Executive Budget recommends **\$80.4 million** All Funds (\$29.6 million General Fund, \$50.8 million Other Funds) to support the operations of the Office of the Medicaid Inspector General. This is a decrease of **\$7.8 million**, or -8.9 percent, from the 2010-11 budget (\$3.7 million General Fund, \$4.1 million Other Funds). These savings are intended to be achieved through administrative efficiencies in non-personal service and negotiated workforce savings that minimize layoffs to the extent possible.

## **PROGRAM HIGHLIGHTS**

The Medicaid program was established by the Federal government in 1965 as a health insurance program for the poor. Medicaid provides coverage to nearly 4.7 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. OMIG pursues civil and administrative enforcement actions against individuals or entities that engage in fraud, abuse, illegal or inappropriate acts or unacceptable practices within the Medicaid program, including but not limited to: referral of information and evidence to

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regulatory agencies, withholding Medicaid payments, imposition of administrative sanctions and penalties, excluding providers and contractors from participation, initiating and maintaining actions for civil recovery, and recovery of Medicaid funds.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2010-11	Appropriations Recommended 2011-12	Change	Reappropriations Recommended 2011-12
State Operations	88,161,000	80,353,000	(7,808,000)	47,846,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>88,161,000</u>	<u>80,353,000</u>	<u>(7,808,000)</u>	<u>47,846,000</u>

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

#### Full-Time Equivalent Positions (FTE)

Program	2010-11 Estimated FTEs 03/31/11	2011-12 Estimated FTEs 03/31/12	FTE Change
Medicaid Audit and Fraud Prevention			
General Fund	330	331	1
Special Revenue Funds - Federal	329	331	2
Special Revenue Funds - Other	3	0	(3)
Total	<u>662</u>	<u>662</u>	<u>0</u>

The above table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
General Fund	33,274,000	29,577,000	(3,697,000)
Special Revenue Funds - Federal	50,804,000	47,076,000	(3,728,000)
Special Revenue Funds - Other	4,083,000	3,700,000	(383,000)
Total	<u>88,161,000</u>	<u>80,353,000</u>	<u>(7,808,000)</u>

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

Program	Available 2010-11	Recommended 2011-12	Change
Medicaid Audit and Fraud Prevention			
General Fund	36,974,000	29,577,000	(7,397,000)
Special Revenue Funds - Federal	50,804,000	47,076,000	(3,728,000)
Special Revenue Funds - Other	383,000	0	(383,000)
Maintenance Undistributed			
General Fund	(3,700,000)	0	3,700,000
Special Revenue Funds - Other	3,700,000	3,700,000	0
Total	<u>88,161,000</u>	<u>80,353,000</u>	<u>(7,808,000)</u>

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## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	21,136,000	(2,348,000)	21,007,000	(2,334,000)
Total	<u>21,136,000</u>	<u>(2,348,000)</u>	<u>21,007,000</u>	<u>(2,334,000)</u>

  

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	21,000	(2,000)	108,000	(12,000)
Total	<u>21,000</u>	<u>(2,000)</u>	<u>108,000</u>	<u>(12,000)</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	12,141,000	(1,349,000)	783,000	(87,000)
Total	<u>12,141,000</u>	<u>(1,349,000)</u>	<u>783,000</u>	<u>(87,000)</u>

  

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	278,000	(31,000)	8,504,000	(445,000)
Total	<u>278,000</u>	<u>(31,000)</u>	<u>8,504,000</u>	<u>(445,000)</u>

  

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	2,576,000	(286,000)	0	(500,000)
Total	<u>2,576,000</u>	<u>(286,000)</u>	<u>0</u>	<u>(500,000)</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	47,076,000	(4,111,000)	22,403,000	(1,599,000)
Maintenance Undistributed	3,700,000	0	0	0
Total	<u>50,776,000</u>	<u>(4,111,000)</u>	<u>22,403,000</u>	<u>(1,599,000)</u>

  

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	24,673,000	(2,012,000)	0	(500,000)
Maintenance Undistributed	0	0	3,700,000	0
Total	<u>24,673,000</u>	<u>(2,012,000)</u>	<u>3,700,000</u>	<u>(500,000)</u>