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Good afternoon Chairwoman Krueger, Chairwoman Weinstein, distinguished members of the Senate Finance and Assembly Ways and Means Committees, and Health Committee Chairs Senator Rivera and Assemblyman Gottfried. I appreciate this opportunity to share with you the activities and initiatives of the Office of the Medicaid Inspector General (OMIG).

OMIG's comprehensive efforts to protect the integrity of New York's Medicaid program are respected nationally. Preliminary calendar-year figures for 2019 for the agency's cost savings and Medicaid recoveries are estimated at more than $2.8 billion. The Agency's proactive cost-avoidance measures, which prevent – upfront - inappropriate Medicaid payments from being made, delivered estimated savings of more than $2.3 billion. In addition, OMIG recoveries - including audits, third-party liability, and investigations - total more than $542 million.

These impactful results are achieved by effectively employing agency resources and activities – from conducting audits and investigations to our extensive compliance and provider outreach and engagement efforts. OMIG's strong partnerships with law enforcement and various agencies at the local, state and federal level are also a key component in driving these results. Across New York, OMIG's dedicated team of investigators, auditors, data analysts, and other licensed health care professionals worked closely with law enforcement agencies at every level to combat Medicaid fraud and hold those involved in illicit schemes fully accountable. These collaborative efforts serve to protect both the Medicaid recipients who rely on the program to access high-quality health care services as well as New York's taxpayers.

For example, OMIG played a key role in a 2019 joint investigation with the Attorney General's Medicaid Fraud Control Unit, New York State Department of Health, and the United States Department of Health and Human Services, Office of the Inspector General (HHS-OIG). It led to the arrests of a New York City pharmacy owner and three of her managers for their alleged participation in a 10-million-dollar Medicaid fraud scheme involving kickbacks and HIV prescription drug diversion.

The defendants filed thousands of false claims for reimbursement from Medicaid and Medicaid Managed Care Organizations (MCOs) for refills that were not dispensed, an illegal practice known as "auto-refilling." Charges included Grand Larceny in the First Degree, Health Care Fraud in the First Degree, and Money Laundering in the First Degree. The maximum state prison sentence for these offenses is 25 years.

Also, in 2019, OMIG continued its vital work with law enforcement, health care providers, managed care plans, and other stakeholders across the state to address the opioid crisis. For example, the agency's Recipient Restriction Program (RRP), a key tool in this effort, was very active in 2019. The RRP plays a key role in preventing the filling of duplicate prescriptions through doctor or pharmacy shopping by restricting patients suspected of overuse or abuse to a single designated health care provider and pharmacy.

Preliminary 2019 data show 1,767 of the 1,992 Medicaid recipients reviewed were recommended for restriction to the appropriate Medicaid managed care plan, county agency, or NY State of Health. As a result, more than $85 million in costs to the Medicaid program were avoided and, quite likely, many lives were saved.

OMIG also continued its involvement in efforts to combat the opioid crisis across the state. For example, an OMIG pharmacist continued participating in the Opioid Task Force, and OMIG again took part in the second-annual Franklin County Opiate Forum. Agency investigative and pharmacy staff participated in the day-long learning session that brought together state and local government officials and nonprofit professionals to share information, data and strategies to address the opioid epidemic.

The Agency's 2019 preliminary enforcement statistics show strong results. OMIG opened more than 2,800 investigations, completed over 2,700 investigations, and referred more than 800 cases to law enforcement and other federal, state and local agencies, including the NYS Attorney General's Medicaid Fraud Control Unit and the New York City Human Resources Administration. Additionally, OMIG issued more than 700 Medicaid exclusions. Exclusions are a powerful program integrity tool. An excluded provider is prohibited from participating in New York's Medicaid program *and* any other state's program.

OMIG continues to focus on – and implement new initiatives related to – program integrity within the managed care arena.

OMIG's efforts include performing various match-based audits and utilizing data mining and analyses to uncover trends or patterns that identify future reviews. These audits result in the recovery of inappropriate premium payments and identify actions to address systemic and/or programmatic issues. Preliminary data for 2019 indicate these efforts resulted in 483 finalized audits with more than $177 million in recoveries.

OMIG also continues to review MCOs' Provider Investigative Reports (PIRs), which plans are contractually obligated to submit to OMIG and DOH quarterly. The Report provides valuable information, including MCOs' provider investigative activities and disclosures of any MCO settlement agreements with network providers.

OMIG continues its collaborative work with MCOs and their special investigation units to address network provider fraud, waste, and abuse. An OMIG MCO Liaison is assigned to each mainstream managed care plan in the state, thereby providing a single point of contact.

Also last year, OMIG met with executives from several Managed Long-Term Care (MLTC) plans to gain key insights into their various business processes, procedures, and challenges. The plans benefit by being informed, on a fairly granular level, of their program integrity obligations, the approaches used by OMIG, as well as our interest in working collaboratively. These onsite meetings build on the success of similar visits, which were concluded in 2018, with every mainstream MCO in the state. OMIG will continue to conduct onsite visits with MLTCs throughout 2020.

Through legislation enacted in 2019, OMIG acquired a very significant additional managed care program integrity tool. The new legislation authorizes OMIG to hold MCOs accountable for the program integrity obligations outlined in their contract with the State. To that end, OMIG is authorized to conduct annual reviews of all MCOs and MLTCs to assess their compliance with contractual standards that prevent fraud, waste, or abuse, such as jettisoning from their provider

networks providers that have been excluded from the Medicaid program at the federal or state level, utilizing effective Recipient Restriction Programs, complying with various reporting obligations, maintaining adequate compliance programs, and suspending provider payments when appropriate.

Implementing, statewide, this critical program integrity review initiative has been a major OMIG focus, and I'm proud to report on our progress to date. Comprehensive reviews of each of New York's 15 mainstream MCOs are well underway. Year Two of the effort will include, in addition to the mainstream plans, reviews of MLTCs. These reviews constitute an essential component of OMIG's program integrity efforts in the managed care arena.

Also, in 2019, OMIG continued to provide extensive provider outreach and education - through informational webinars, guidance materials, presentations, and onsite meetings - to associations, providers groups and other stakeholders across the state on such topics as compliance, audit processes and protocols, and Medicaid fraud awareness.

OMIG's website has also been enhanced to better serve the provider community and the public. Improvements to the agency's self-disclosure, compliance, and excluded providers sections have streamlined reporting processes and increased overall website effectiveness and efficiency. Additionally, OMIG maintains an email listserv with more than 5,100 subscribers. Finally, OMIG currently posts 42 fee-for-service audit protocols on its website, which continue to apprise the health care industry of what OMIG looks for when conducting an audit.

OMIG's comprehensive Medicaid program integrity efforts are a critical part of New York's health care delivery system. My office looks forward to playing an integral role in the MRT initiative and will continue to devote resources to strengthen program integrity and efficiency, thereby ensuring that the most vulnerable New Yorkers have access to high-quality care and taxpayer dollars are protected.

Thank you. I'd be pleased to address any questions you may have.