

Testimony of Frank T. Walsh, Jr.
Acting Medicaid Inspector General
Office of the Medicaid Inspector General
Hearing Room B
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Good afternoon, Chairperson Krueger, Chairperson Weinstein, distinguished members of the Senate Finance and Assembly Ways and Means Committees, and Health Committee Chairs Senator Rivera and Assemblyperson Gottfried. I appreciate this opportunity to share with you the activities and initiatives of the Office of the Medicaid Inspector General (OMIG) – my first since joining the agency last year.

The COVID-19 pandemic, as we all recognize, continues to pose significant challenges and impact the healthcare delivery system in profound ways. In response, OMIG has effectively adapted to the rapidly changing environment by implementing new processes, performing ongoing outreach to the Medicaid provider community and stakeholders, and executing solutions that serve a vital, dual purpose: to protect the integrity of the Medicaid program while not unnecessarily limiting healthcare access.

Over the past year, as it did throughout 2020, OMIG continued to work closely with individual providers, associations, and other stakeholders to gain critical insights into the current environment and used this knowledge to inform Agency practices with respect to audit activity, investigative efforts, and compliance initiatives.

From the onset of the pandemic in 2020 and continuing into 2021, OMIG pivoted its activities to a remote setting to protect the health and safety of OMIG staff, the provider community and Medicaid recipients, and was flexible in giving providers necessary additional time to respond to requests. Additionally, to enable providers to address critical, emergent issues, OMIG temporarily paused non-urgent audit activities in regions where positivity rates were a cause for concern.

Since then, in accordance with State and Federal guidance, the agency has significantly increased its onsite oversight activities and fieldwork, while promoting safety, addressing the concerns of the health care provider community and continuously monitoring the progression of the public health emergency.

Further, in 2021, in response to requests from providers concerning financial hardship, OMIG developed and implemented an enhanced financial hardship process that affords providers the opportunity to apply for relief in the event an OMIG audit may pose a financial hardship to the organization. More information on this process is available on OMIG's website.

As a result of OMIG's efforts throughout the public health emergency – and despite the temporary interruption of certain activities, the Agency continued to deliver impressive results to New Yorkers in 2021. Preliminary results indicate total cost savings and recoveries exceeded \$3.1 billion, an increase of more than \$152 million, or five percent (5%), over the prior year without unnecessarily impacting providers or the availability of critical health care services and supports.

In addition, OMIG also:

- Received over 3,600 allegations of Medicaid fraud;
- Completed more than 2,900 investigations;
- Referred nearly 800 cases to other State oversight agencies, including nearly 200 to the Attorney General's Medicaid Fraud Control Unit (MFCU);
- Finalized more than 1,200 audits; and
- Received 33 applications for relief due to financial hardship.

These and other details are still being reviewed and finalized and will be reported in OMIG's 2021 Annual Report, which, by statute, will be released by October 1st, 2022.

While these measures of our performance are very positive, it is important to stress – again – that, they would not be possible without OMIG's comprehensive efforts throughout the pandemic to strengthen relationships and communications with Medicaid providers and the introduction of collaborative process improvements that will support our efforts over the long term.

I am extremely proud that the dedicated team at OMIG, in the midst of the extraordinary challenges posed by the Covid crisis, delivered on our pledge to ensure Medicaid beneficiaries' access to the State's high-quality health care delivery system, and at the same time combat fraud, waste, and inefficiency, which benefits all New Yorkers. In doing so, we're continuing to set the national standard for ensuring access, controlling costs, and, in partnership with law enforcement, holding wrongdoers accountable.

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