



MEMORANDUM OF SUPPORT

Reform OMIG Audits

A.6813 (Paulin)/S.5329A (Harckham)

May 25, 2023

The Community Health Care Association of New York State (CHCANYS) strongly supports A.6813 (Paulin)/S.5329A (Harckham) which will provide protections for Medicaid providers and consumers related to audits performed by the Office of the Medicaid Inspector General (OMIG).

CHCANYS is the statewide association of New York's 70+ federally qualified health centers (FQHC), also known as community health centers (CHCs). Community health centers operate in low-income and medically underserved communities, providing a full range of primary and preventive health care and enabling services for more than 2.3 million patients at over 800 sites, regardless of insurance, immigration status, or ability to pay. Among our patients, 89% are low income, 68% are Black, Hispanic/Latinx, and other people of color, 13% are uninsured, and 59% are enrolled in Medicaid or Child Health Plus.

OMIG audits play a crucial role in eradicating fraud, waste, and abuse within New York's Medicaid program. Currently, however, these audits have adopted an excessively punitive approach to the audit and recovery process without provisions to ensure fairness and procedural clarity. As a result, providers have been severely penalized for honest technical or human errors, and in some cases leading to enormous fines that can shut down an entire program, without any recourse. These punitive practices pose a significant threat to financially vulnerable Medicaid providers who are already experiencing challenges such as unprecedented workforce shortages, thereby exacerbating New York's already strained safety net system.

To address these issues and provide necessary protections, this bill aims to bring greater transparency to the auditing process and to establish vital safeguards for Medicaid service providers. Key provisions of the bill include defining overpayments and limiting extrapolation, safeguarding against unfair penalties for administrative or technical errors, ensuring providers receive notice and a recovery timeline for overpayments, preventing repeated reviews or audits within three years for the same contracts, claims, and expenditures, and mandating that OMIG provides written explanations of any draft audit findings to service providers. Additionally, the bill will incorporate best practices observed in other states and ensure consistency with federal requirements. This legislation will align OMIG's mission and intent of identifying fraud and waste with the need for a fair and balanced approach that considers the challenges faced by providers.

CHCANYS urges the New York State Legislature to pass A.6813 (Paulin)/S.5329A (Harckham) to ensure that OMIG can perform its essential functions while creating protections and procedures and that allows Medicaid service providers to continue delivering high-quality, life-saving services throughout New York.

For more information, contact Marie Mongeon, Vice President of Policy, at mmongeon@chcanys.org.