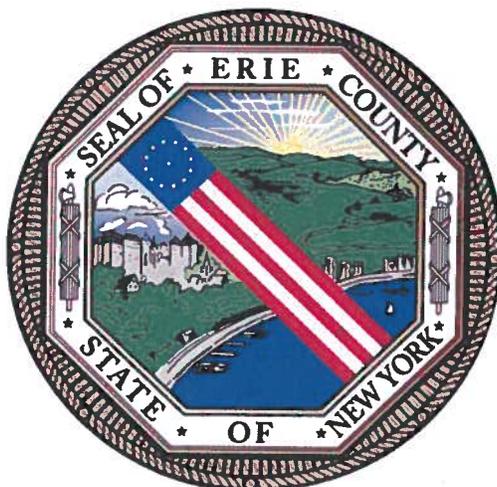


**JANUARY 2014**

ECLEG JAN2014 pt. 3-41

**INVESTIGATION INTO THE RECERTIFICATION OF  
MEDICAID BENEFITS  
JANUARY AND FEBRUARY 2013**



**STEFAN I. MYCHAJLIW  
ERIE COUNTY COMPTROLLER**

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**CHRISTOPHER M. MUSIALOWSKI  
DEPUTY COMPTROLLER – AUDIT & CONTROL**

**HON. STEFAN I. MYCHAJLIW  
ERIE COUNTY COMPTROLLER'S OFFICE  
DIVISION OF AUDIT & CONTROL  
95 FRANKLIN STREET  
BUFFALO, NEW YORK 14202**



January 23, 2014

Honorable Members  
Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, New York 14202

Dear Honorable Members:

During the months of January and February of 2013, the Erie County Comptroller's Office Division of Audit and Control (Audit) received multiple telephone calls and emails to the Erie County Whistleblower Hotline (Hotline)<sup>1</sup> from employees of the Department of Social Services (DSS) Community Medicaid Division (Medicaid Division). These employees alleged that they were being told by supervisors within the Medicaid Division to automatically recertify Medicaid clients for a twelve-month period without performing the standard recertification procedures. The employees that called the Hotline felt that this was improper and could result in Erie County (County) being responsible for paying for Medicaid benefits for clients that may not be eligible for the coverage.

Our investigation was significantly limited due to Audit only being allowed access to extremely redacted Medicaid documents. DSS claimed that New York State (NYS) and Federal privacy laws restrict our access to certain records, however was not provided with, nor able to independently verify this legal claim. The report that follows represents the results of our investigation into the Hotline allegations. Our investigation was conducted through interviews with DSS management, Medicaid Division employees, and a very limited review of redacted Medicaid documents.

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<sup>1</sup> Audit investigates allegations of waste, fraud, and abuse within Erie County through the Hotline. The Hotline can be reached by telephone (716-858-7722), email ([whistleblower@erie.gov](mailto:whistleblower@erie.gov)), or Internet (<http://www2.erie.gov/comptroller/index.php?q=report-waste-fraud-or-abuse>).

## Table of Contents

EXECUTIVE SUMMARY .....	4
Background .....	4
RESULTS OF INVESTIGATION.....	6
1. DSS Internal Communications.....	6
2. Employee Interviews.....	7
3. Meeting with Representatives of DSS.....	8
4. Limited Testing of Phase II Review.....	9
Conclusion.....	10
Appendix I – Email Sent To Medicaid Recertification Staff.....	11
Appendix II – Email Sent To Medicaid Recertification Staff.....	13
Appendix III – Email Sent To Medicaid Recertification Staff.....	14
Appendix IV – Email Sent To Medicaid Supervisors.....	15
Appendix V– Letter Sent from Commissioner to Medicaid Staff.....	16
Appendix VI – Letter from NYSDOH.....	17
Appendix VII – Email Requesting Employee Interviews.....	19

## EXECUTIVE SUMMARY

The Comptroller's Office Audit Division was contacted by several whistleblowers requesting that we investigate DSS's process for recertifying client's Medicaid benefits without determining their eligibility. Upon receiving these tips we contacted DSS to commence an investigation into these allegations. We immediately encountered resistance from DSS Administration in conducting our investigation due to the confidentiality of the client information. Ultimately DSS Administration admitted these allegations were true and that Medicaid benefits were being recertified without any prior review, and that a management-level employee made the decision to automatically recertify cases without proper review without the knowledge of her supervisors. We feel the breakdown between the DSS Administration and management-level employees shows a severe lack in departmental oversight for the Medicaid area.

DSS Administration claimed that the automatic recertification was a temporary hold on those accounts so they could be reviewed at a later date. Audit attempted to review these files to ascertain whether they had been properly recertified at a later date; however DSS would only provide us with a small sample of Medicaid cases which they had selected to validate. The cases they provided showed evidence of subsequent review; however we were unable to conclude whether all of the Medicaid cases that were automatically recertified were subsequently reviewed. Due to the statistically insignificant size of the sample, and it being handpicked by DSS, Audit at this time cannot opine as to whether or not the review was sufficient.

## Background

On January 24, 2013 an email was sent from the Medicaid Division's Administrative Director III instructing all employees working on the recertification process for Medicaid clients with recertification dates in January and February to automatically recertify all clients' benefits without conducting a review. Following the issuance of this email, both the Whistleblowers Hotline and the Erie County Comptroller's Office (Comptroller's Office) started receiving letters, telephone calls, and emails from DSS employees with concerns regarding this new procedure. The automatic recertification process extended the clients' Medicaid coverage for an entire year, without verifying that they continued to meet the eligibility requirements for the program. The employees that contacted the Comptroller's Office felt that this automatic recertification of benefits constituted fraud, and could result in the County expending funds on Medicaid benefits for individuals who may have been ineligible for the program had their case been properly reviewed.

The standard practice per New York State Department of Health (NYSDOH) regulations and guidelines is to send the client a letter with a recertification form prior to the expiration of their benefits. The clients are required to submit the completed form with any required supplemental information to the Medicaid Division for processing. This documentation is reviewed by the Medicaid Division prior to the expiration of the client's benefits. The information which must be supplied for review including a financial budget is entered into Welfare Management System (WMS), the NYS Social Services Software System, and eligibility is determined. If the client continues to be eligible for Medicaid, their coverage is extended for one year. Several employees alleged that this review process was being circumvented and cases were receiving "rubber stamp" approval for the full twelve-month period. "Rubber stamping" is when a recertification is made automatically without any review being performed.

In the event that additional documentation or information is needed from the applicant, the NYSDOH allows for Should the case may be "bumped up." The term "bump up" is departmental jargon, meaning the client's eligibility is extended for a period, usually thirty, sixty, or ninety days pending the receipt of the missing documentation.

Due to the serious nature of the allegations the Comptroller decided to commence an audit of both Medicaid and Public Assistance in addition to our investigation into the whistleblowers' allegations. An announcement letter was issued to DSS on January 31, 2013. After holding an entrance conference on February 14, 2013 with DSS and representatives from the office of Budget and Management and the County Attorney's office, it was determined that our audit would be split into two segments 1) Initial eligibility and recertification of Medicaid and 2) initial eligibility and recertification of Public Assistance.

While the auditors continued to discuss with DSS and DSS Legal Affairs over our right to gain access to confidential client information without redaction, we also continued to investigate the allegations of improper automatic recertification of clients' Medicaid benefits as reported to us by the whistleblowers. Initially, DSS management disagreed that there was an issue in their recertification process. This coupled with their lack of prompt responses to our requests for information and documentation led to significant delays.

## RESULTS OF INVESTIGATION

### 1. DSS Internal Communications

On January 24<sup>th</sup> the email instructing DSS employees to automatically recertify was sent out by the Administrative Director III, after which the Comptroller's office began to receive Hotline tips regarding potential fraud due to this new policy. To verify the authenticity of the Hotline claims, the Audit Division submitted a FOIL request on February 14, 2013 to The Department of Information and Support Services (DISS) requesting all emails sent by the Administrative Director III to Medicaid Division employees between the dates of January 1, 2013 and January 31, 2013 containing the phrases *"This procedure for 1/31 recerts only"* and/or *"we are not pending."* As a result of our request, we received one email from the Administrative Director III where the manager replied with "ok" which contained procedures for the auto-recertification of Medicaid clients' benefits. These procedures included, but were not limited to:

- "We are auto-recertifying all 1/31 recerts that have been received;"
- "Just recertify – DO NOT DO A BUDGET;"
- "WE ARE NOT evaluating inclusions or including anyone at this time;" and
- "We are not pending."

All of these instructions are contrary to the normal recertification processes as proscribed by the NYSDOH (See Appendix I for a copy of the email).

Upon review of this email, the Audit Division was concerned that the actions taken were in direct violation of NYSDOH regulations. We sent an email to the New York State Office of the Medicaid Inspector General requesting an investigation into this matter. At this time Audit also issued an announcement letter to commence an audit of the initial certification and recertification processes for both Medicaid and Public Assistance.

In addition to the instructions from DSS Management to recertify without reviewing the applicants documentation, Audit also obtained several other emails from Medicaid Division employees who contacted the Comptroller's Whistleblower Hotline. These emails can be viewed in Appendices II through V.

In the first of the emails in Appendix II from Head Social Welfare Examiner #2 (names have been redacted to protect privacy), the Examiner instructed their staff to not tell any customers calling in about their Medicaid Benefits that they had been automatically recertified. The following statements were used: *"if (and when) you receive a call from a client regarding a letter they received DO NOT TELL THEM THAT IT WAS AN AUTO RECERT,"* and also *"DO NOT SAY we recerted with out [sic] looking at their information ..."*

These statements caused Audit to ask the question if DSS felt that their actions were appropriate and acceptable under NYSDOH regulations, why were they being hidden? DSS maintained nothing inappropriate had been done.

On January 31, 2013 Audit informed DSS of our intention to conduct an audit of the Medicaid and Public Assistance initial certification and recertification processes. Then on February 8, 2013, the Administrative Director III sent an email to the Medicaid Division employees commending them on the "phenomenal job" they did on completing "Phase I" of the "special

project" and now it was time for select employees to complete "Phase II." Phase I of the special project refers to the automatic recertification of the Medicaid cases, with Phase II now being the subsequent review of these cases to determine whether these clients are indeed eligible for the continued Medicaid benefits they were automatically recertified for. Audit notes that prior to this date we have no evidence of any mention of this project being a two phase project of automatic approval, and subsequent recertification of those files.

## 2. Employee Interviews

On May 3, 2013, Audit attempted to schedule interviews with Medicaid Division employees. An email was sent to the seventy-eight employees in DSS who participated in the recertification process or received the initial January 24<sup>th</sup> email, as well as the Commissioner of DSS, the Assistant Commissioner, and the Administrative Director III. Audit's email to DSS employees advised them of our investigation into the *"auto-certification project that was conducted by the Medicaid Unit within the Department of Social Services in January, February, and March of this year."* (See Appendix VII)

Later that day Audit received a letter from the Commissioner of DSS that provided us with a letter she had requested from the NYSDOH (see Appendix VI for copies of the request and NYSDOH response). In the email, the Commissioner of DSS stated that she was justified in issuing the twelve-month automatic recertification of clients' Medicaid benefits, and stated *"As such, I will inform the DSS staff who you seek to interview concerning Medicaid recertification that we consider this a closed matter."* At no time did Audit advise DSS of our intention to "close" our investigation, as Audit had not received any verification that Phase II was proceeding as scheduled.

The Audit division continued its investigation by attempting interviews with DSS staff, however an email from the Commissioner of DSS stating that by directly contacting the *"approximately 80 DSS Medicaid (MA) employees"* we did not go through the *"appropriate management channel."* At that time we were advised that *"Any requests that will take staff away from their primary responsibilities should be directed to their supervisors in DSS prior to attempting to schedule any meetings."* A whistleblower also advised us that the Commissioner sent an email to the Medicaid Division employees which restated that the interviews were *"voluntary,"* with the addition that they *"must not interfere with your work,"* and reminded them of *"their right to representation by the union or your own attorney if you elect to proceed"* (See Appendix V).

Only two employees responded to our request for voluntary interviews. Because DSS Administration was impeding our access to interview the Medicaid recertification staff, the Comptroller issued subpoenas to eighteen employees that were included on the email with the twelve-month automatic recertification procedures on May 8<sup>th</sup>. After Audit served one employee, the remaining subpoenas were served upon the Director of Legal Affairs for DSS who worked with our Office to coordinate the scheduling of interviews for these employees, and many of the other employees on the emails.

Between May 8, 2013 and June 10, 2013 Audit had the opportunity to interview thirty-seven Medicaid Division employees. The composition of the employees was: one Medicaid Reform Specialist, ten Social Welfare Examiners, nineteen Senior Social Welfare Examiners, and seven Head Social Welfare Examiners. The employees' length of service ranged from new hire employees to employees with over thirty years of service, with the average length of service

being 13.5 years. Employees had the option of having a CSEA Union Representative accompany them to the meeting as well as the DSS Director of Legal Affairs (who also recorded the meeting with the employee's consent). While several employees met without representation, the majority of the employees had both the union representative and the Director of Legal Affairs accompany them to meet with Audit. The interviews with employees provided valuable insight into the Medicaid eligibility determination process in addition to the automatic recertification of clients' Medicaid benefits.

The information obtained in the interviews was determined by Audit to be contradictory in nature no evidence was provided by the interviewees for these accusations.

In our interviews we asked whether or not the staff were aware of Phase II where the automatically recertified Medicaid recipient/member would undergo a recertification. Of the thirty-seven employees interviewed, three said that though they were not told ahead of time that a review would take place, they assumed it would happen. However another three employees stated that they were not previously aware of any review planned and believed that the review process only occurred because of Audit's investigation. According to two Head Social Welfare Examiners, initial project discussions did not include the intention of reviewing the automatically recertified cases; however a third Head Social Welfare Examiner said that initial discussions did include procedures for reviewing the cases that were automatically recertified. The remaining employees were unsure whether management initially had intended to review the automatically recertified cases or to simply leave the cases with the extended certification dates.

According to some of the employees interviewed, a review of the cases automatically recertified was performed by a select group of employees during the President's Day Weekend as an overtime project. See Step 4 for a summary of Audit's inquiry into this review.

### 3. Meeting with Representatives of DSS

On August 2, 2013 Audit held a meeting with the Commissioner of DSS, Assistant Commissioner of DSS, the Director of Legal Affairs of DSS and the Deputy Budget Director. The purpose of the meeting was to discuss the auto-recertification of client Medicaid benefits.

Both the Commissioner and Assistant Commissioner confirmed that the auto-recertification of January 2013 Medicaid cases did occur for clients that did send in their recertification paperwork; however, they re-termed this as a twelve-month "bump-up<sup>2</sup>." The Commissioner further clarified that they "*we not aware that the manager had made the determination for the twelve-month 'bump-up' until much later in the process.*" At that time DSS Administration (the Commissioner and Assistant Commissioner) had "*only been in discussions regarding a thirty-day advance.*" The manager, who had held the title of Administrative Director III within the Medicaid Division, was according to the Commissioner "*given the appropriate form of discipline for what we determined was acting outside of the scope of her authority.*" This employee had thirty-three years of County service, and retired effective May 4, 2013. Throughout the meeting DSS continually expressed that they were not as concerned with the fact that cases were "bumped-up" for twelve-months as much as they were concerned that "*the manager did not consult with her administrative support.*"

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<sup>2</sup> As defined in the background section, a bump-up an advance in the benefit expiration date.

By their own admission, DSS Administration discovered the twelve-month automatic recertifications "sometime during February" 2013. Per the Commissioner and Assistant Commissioner, all of the Medicaid cases that received the automatic twelve-month "bump-up" were subsequently reviewed by Medicaid examiners. According to DSS Administration, there were three possible outcomes for these cases upon review:

- *Cases had the appropriate effective dates.* These cases, if reviewed timely, would have been recertified for twelve-months in January, and would have had Medicaid coverage extended for twelve-months. No further action is needed on these cases.
- *Clients were ineligible for Medicaid - did not use benefits.* Upon review, these clients were no longer eligible for Medicaid benefits. They did not have any Medicaid billings during the "bump-up" period. Their cases were closed.
- *Clients were ineligible for Medicaid – did use benefits.* Upon review, these clients were no longer eligible for Medicaid benefits. There were however Medicaid billings during the "bump-up" period. These cases were referred to the DSS Special Investigations Division (SID) for collection of the benefits paid, and their Medicaid cases were closed.

DSS Administration asserted multiple times during the meeting that these recertification cases were "bumped-up" and not automatically recertified, meaning that the intention was to later go back and determine that these cases were indeed eligible for continued Medicaid benefits, and not automatically grant twelve-months of continued Medicaid eligibility.

The Commissioner of DSS also referenced that these procedures were "*what the DOH [NYSDOH] letter said.*" The Commissioner contacted the NYSDOH by telephone and email to solicit a letter to provide the Comptroller stating that the auto-recertification of Medicaid client's benefits for a twelve-month period was acceptable by NYSDOH's standards and regulations (see Appendix V). In the Commissioner's email to the NYSDOH she stated that the reason behind the automatic recertification was the Medicaid Division was changing over their processing procedure, and never once stated that the decision to automatically recertify cases was made by a member of the Medicaid Division management team without the knowledge and support of DSS Administration.

#### **4. Limited Testing of Phase II Review**

In an August 3, 2013 meeting with DSS on the auto recertifications, Audit stated that we wanted to validate that review work was performed by DSS staff that determined whether all automatically recertified cases were found to be eligible, closed or sent for recovery.

Audit requested a sample of recertified documents, however due to confidentiality our request for non-redacted documents was denied. The documents Audit was given were redacted to the point where no substantive testing could be performed. The sample size DSS provided was thirty cases, which given a population of approximately five to six thousand cases is considered statistically immaterial. The sample selection was chosen by DSS, it was not a random sampling of files. Due to this, the Audit Division is unable to opine as to whether or not the review process was completed or to the degree of accuracy in the review.

It was mutually agreed that Audit would receive thirty examples out of five to six thousand cases that were reviewed. While the documentation would be redacted, partial case numbers would be available to trace whether or not review work was performed and the appropriate disposition based on their review. DSS would not allow Audit to randomly select the samples from all of the files which were reviewed; they insisted it would violate confidentiality. In our initial sample, DSS also did not provide any ineligible case that was sent to Special Investigations Division (SID) for recovery, however upon request of an SID case DSS provided one for review, again not allowing Audit to randomly select from a population.

Since the documents were extremely redacted, Audit was limited to reviewing only whether or not the file had been reviewed after the automatic recertification of the case. No additional testing as to the accuracy of the recertification was possible. In addition to this, being forced to use a sample of only thirty is not a true representative sample of the population. Additionally, the sample being selected by DSS further taints any potential findings by Audit as these files could have been handpicked by DSS knowing they would all pass a review.

The Audit Division does not feel comfortable at this time stating that the recertification process was performed properly, nor can we opine as to whether or not the review process for all automatically recertified cases took place.

## Conclusion

At this time there is insufficient evidence for Audit to opine as to whether or not the automatic recertification of Medicaid cases was appropriate, however we do feel that the oversight over the recertification process was severely lacking. A manager over the area should not have the ability make such a broad stroke change to Medicaid Policy without the knowledge of the Commissioner of DSS. As the manager in question has since been disciplined (according to DSS Administration) it is our recommendation that a future review is performed to ensure the timely rectification of benefits is taking place, and policy decisions are reviewed by the proper levels of authority within DSS.

Additionally, Audit feels that further review is deemed necessary for the individuals who were automatically recertified as DSS would not allow Audit to follow proper sample selection guidelines to obtain a true representative sample.

Audit appreciates the employees of the Medicaid Division that came forward and expressed their concern for the auto-recertification of client's Medicaid benefits. Without their telephone calls and letters this issue would not have been brought to the Comptroller's attention, and may have been allowed to proceed unnoticed. We would also like to thank the Medicaid Division employees that participated in the interviews.

## ERIE COUNTY COMPTROLLER'S OFFICE

cc: Hon. Mark. C. Poloncarz, County Executive  
Robert W. Keating, Director of Budget and Management  
Carol M. Dankert-Maurer, Commissioner of Social Services  
Erie County Fiscal Stability Authority

## Appendix I – Email Sent To Medicaid Recertification Staff

*Note: The text of this email is copied into this report. All employee names have been redacted.*

**From:** [redacted] Head Social Welfare Examiner #1  
**Sent:** Thursday, January 24, 2013 9:47 AM  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** FW: 1/31 procedure-please review  
**Attachments:** blank DED 1-31 AUTO RECERT.docx; DED 1-31 AUTO RECERT.docx

**Importance:** High

This email is for examiners involved in the special project for 1/31 recerts --- if you are not working on this project you can disregard this email.

### This procedure for 1/31 recerts only.

Any pending work in the baskets will be returned if they apply to the new procedure below.

- We are auto-recertifying all 1/31 recerts that have been received.
- We are **using DED's** to recertify the cases (with the exception of the 3209's that have already been printed)
  - I have attached the DED's to use to this email (one prefilled for 06/C05 and another for 06/blank so you can fill in C09 or C10)
- When you take cases, **DO NOT** change the tickets to your # or in progress.
- **Just recertify – DO NOT DO A BUDGET** (\*\*see the exception below)
- **Only check on the recert for a new address** --- if it changed you must change it on the DED.
- If the recert was scanned the paper copy can be recycled.
- We ARE NOT evaluating inclusions or including anyone at this time
- **We are not pending** (\*\*see the exception to pending noted below)
- **Update the ticket when work is complete:** add your worker # and ALSO fill out the supervisor section with "approved", your initials AND the date. **YOU MUST ALSO WRITE "AUTO RECERT"** in the comments box (\*\*SEE EXAMPLE AI has handed out)
- **Use a "5" to clear the RFI** and don't print the RFI's, just clear them.
- **Complete your data entry** – Make sure to call up screen 6 on all data entry to catch cases that have reimb to the MA level.
- On your day sheet just write the total # of cases you processed, not the case names & cases #'s.

How to organize your folder for imaging

- DED
- IAD

For cases that need a folder (recerts that were not scanned OR the exceptions below)

- IAD
- Recert
- Budget

**THE ONLY EXCEPTIONS ARE:**

- SSI related cases that have reimbursements to the MA level
- Excess income cases – these include Spenddowns and Relief Repayments
  - You should pull up the SOL-Q only if the client didn't attest, if they attested use their attestation.
  - A budget must be completed and saved using the period 2/1/13 – 1/31/14 to reflect the new MA-SSI income levels.
- **The only things you should be pending for are:** B-63's for Relief Repayments OR signature on signature page of recert.

## Appendix II – Email Sent To Medicaid Recertification Staff

*Note: The text of this email is copied into this report. All employee names have been redacted.*

**From:** [redacted] Head Social Welfare Examiner #2  
**Sent:** Wednesday, January 30, 2013 12:12 PM  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** Auto Recerts

Please remember, since auto recerts are being done for January/February if (and when) you receive a call from a client regarding a letter they received DO NOT TELL THEM THAT IT WAS AN AUTO RECERT. If the client is calling because they wanted to add/remove someone from their case and it was not done, make sure you look at the imaged information. (Which you should be doing anyway when a client calls). Tell the client we will do a review of the case and they will be notified by mail of a decision. If they wanted to add an adult to their case, and the adult was off the case for more than 30 days they will have to fill out an application and the application goes to certs. If the adult has been off the case for 30 days or less we can determine eligibility and add them back if eligibly.

Also if any information comes in to IM on these auto recerts, we should be looking at the imaged recert and income and if determined they are not eligible we should take the appropriate action..even if it was just recently auto recertified. This may cause clients to call because they will have received one notice that said they were recertified ad shortly after another that says they are being disco. When speaking to them, we should all be saying the same thing ,which is tell them that their case was reviewed and they were found not eligible. The most current decision is the appropriate one. DO NOT SAY we recerted with out looking at their information, or blame any other part of the agency or any internal processes we habe.

Again, thank you for your cooperation and keep up the good work.

## Appendix III – Email Sent To Medicaid Recertification Staff

*Note: The text of this email is copied into this report. All employee names have been redacted.*

**From:** [redacted] Administrative Director III  
**Sent:** Friday, February 08, 2013 1:03 PM  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** Recert Project

Good afternoon,

In the middle of January we began the first phase of a special project to complete our recerts and catch up the recert backlog. In the past we have usually bumped up recerts each month for periods of up to 90 days to ensure continuous coverage for our clients until we were able to complete the recert. It was impossible to know the exact number. You have all done a phenomenal job and I am happy to say we have accomplished our goal of ending our backlog.

We have already begun the 3/31/13 recerts. As you have already been told, we will now be focusing on quality and ensuring that all recerts are recertified in a timely and accurate manner. We will no longer be extending coverage because this division was not able to get the work done timely.

The second phase of our project will begin the week of 2/18/13 and will involve a review of the cases auto-recertified to ensure appropriate eligibility and coverage for those cases. Over the course of the next 90 days this review will occur. Everyone will not be involved in this aspect of the project but a team will be selected to conduct these reviews.

You can be proud of the work you have done and the cooperation you have demonstrated to complete the first phase of this project. Thank you.

## Appendix IV – Email Sent To Medicaid Supervisors

*Note: The text of this email is copied into this report. All employee names have been redacted.*

**From:** [redacted] Administrative Director III  
**Sent:** Friday, March 01, 2013 7:50 AM  
**To:** [redacted] Head Social Welfare Examiner #3, Head Social Welfare Examiner #1, Head Social Welfare Examiner #4  
**Cc:** [redacted] Chief Social Welfare Examiner #1, Administrative Director I, Chief Social Welfare Examiner #2  
**Subject:** Recert Project

Good morning,

In January we decided (not I decided we decided) to auto recert January AND February recerts to enable us to begin Marchs on time and complete them without bumping up cases. Our goal was to recertify cases timely and stop the practice of bumping up cases. When I had to answer for the decision I assured our administration that by taking the action we took we would no longer need to bump up cases. I okayed that decision and took full responsibility for that decision because we discussed it fully and had a plan in place which I believed would accomplish our goal. At our meeting on Tuesday you assured me you were able to get the recert work processed in a timely manner without my input and without following the plan discussed in January. Please provide me with your detailed process plan to ensure that all recerts are complete before the 15<sup>th</sup> of each month without bumping up cases. I want this plan to include a schedule of when each step of the process begins and ends. You have 24 recert workers and 4 workers to process F10s and U20s. You will not be getting additional staff so do not include that in your plan. Please have this to your supervisors by noon on Monday 3/4/12 so they can review it with you and modify it if necessary before they submit it to me Tuesday morning.

## Appendix V– Letter Sent from Commissioner to Medicaid Staff

**From:** [redacted] Commissioner of DSS  
**Sent:** Tuesday, May, 07, 2013 11:28 AM  
**To:** [redacted] Medicaid Division Employees receiving email from Deputy Comptroller-Audit requesting interview  
**Subject:** RE: interview request

It has come to my attention that you are receiving meeting invitations via email from [redacted] Deputy Comptroller-Audit in which she (and maybe others in the Comptroller's Office) desire to interview each of you regarding Medicaid recertification and an "investigation" which the Comptroller is pursuing.

As you are aware, we process over 3,000 applications per month and carry a caseload of over 67,000 cases. As such, you all have time sensitive case processing assignments that need to be managed and are a clear priority for providing customer service.

DSS Administration is making every effort to cooperate with every reasonable request from the Comptroller's Office.

Any requests from [redacted] former Deputy Comptroller-Audit or the Comptroller's Office that will take you away from your primary work responsibilities should be directed to your respective supervisors. To reiterate, I believe these interviews are voluntary. If you consent to their interview request, it must not interfere with your work. You are reminded of your right to representation by the union or your own attorney if you elect to proceed. At no time, should you discuss any case-specific information with the interviewers due to State confidentiality requirements.

Any questions or concerns should be directed to [redacted] Chief Social Welfare Examiner #1 or [redacted] Administrative Directive III (Long-Term Care). Thank you.

## Appendix VI – Letter from NYSDOH

Nijar R. Shah, M.D., M.P.H.  
Commissioner

NEW YORK  
state department of  
**HEALTH**

Sue Kelly  
Executive Deputy Commissioner

February 15, 2013

Carol Dankert, Commissioner  
Erie County Department of Social Services  
95 Franklin Street  
Buffalo, New York 14202

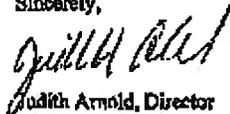
Dear Commissioner Dankert:

I am responding to your request for clarification about the Medicaid renewal policy. Medicaid recipients who return their renewal form before the end of their certification period must be continued without a lapse in coverage until a determination of ongoing eligibility is made and notification sent regarding any increase or decrease in coverage.

With that being said, extending coverage for 12 months for recipients who returned their renewal, but where the county was (and is) unable to complete a redetermination of eligibility prior to the coverage expiration date (cases with certification end dates of January 31, 2013 and February 28, 2013), is a reasonable action to take to ensure that there is no lapse in coverage. This is within State policy provided a redetermination of eligibility is made as soon as possible following the original authorization end date. A time period of 90 days for a redetermination of eligibility is reasonable. The redetermination of eligibility should include a review of the renewal and any accompanying information, a new Medicaid budget to support the coverage period and reconciliation of any back end matches such as Resource File Integration. Proper notification must be sent following the redetermination of eligibility.

If you need any further clarification, feel free to contact me.

Sincerely,



Judith Arnold, Director  
Division of Health Reform and  
Health Insurance Exchange Integration  
Office of Health Insurance Program

HEALTH.NY.GOV  
facebook.com/NYSDOH  
twitter.com/HealthNYGov

From: [redacted] Commissioner of DSS  
To: [redacted] NYSDOH  
Sent: 2/14/2013 12:00 PM  
Subject: Erie County Audit

Judy,

Thank you very much for taking my call the other day. As we discussed, the Erie County Comptroller has decided to audit DSS practice specific to determining initial and ongoing eligibility for both TANF [*Temporary Assistance for Needy Families*] and Medicaid cases from January 1, 2011 – [sic] January 31, 2013. As we discussed, Erie is moving to a task based approach specifically in Medicaid with the belief that this approach will enhance our ability to process Medicaid cases in accordance with expectations. It is our belief that the Comptroller is taking issue with the fact that a LDSS [*Local Departments of Social Services*] may elect to push forward eligibility of a Medicaid recertification for a period of time rather than allowing coverage to lapse. As we discussed, many districts have used this approach but always with the understanding that the case will be reconciled as soon as possible. In fact, we are aware that the State has allowed this practice with their contracted provider, Maximus, as needed. We have asked that your office provide us with statement that you have reviewed Erie's [sic] practice and have determined that it falls within acceptable practice guidelines. We are hopeful that this type of affirmation of common practice will help to put this issue in perspective.

Thank you very much in advance for your anticipated support and assistance.

## Appendix VII – Email Requesting Employee Interviews

*Note: The text of this email is copied into this report. All employee names have been redacted.*

**From:** [redacted] Deputy Comptroller - Audit  
**Sent:** Friday, May 03, 2013 3:52 PM  
**To:** [redacted] recipients of email in Appendix I, (8) DSS recipients of email in Appendix I, (8) DSS employees that worked overtime President's Day weekend, Commissioner of Social Services, Assistant Commissioner of Social Services  
**Cc:** [redacted] Senior Auditor  
**Subject:** interview request

Good Afternoon,

The Comptroller's Office is conducting an investigation into the auto-certification project that was conducted by the Medicaid Unit within the Department of Social Services in January, February and March of this year under the direction of [redacted] Administrative Director III. Our investigation to date has raised a number of questions that we would like to discuss with each of you. I have discussed with Commissioner Dankert-Mauer and she requested that I personally contact each of you to set up an interview. The interviews will be scheduled over the next couple of weeks and will be held in my office, Room 1125 of the Rath Building. I don't anticipate that the interview will take longer than 15 minutes. You will be sent a request via your email that you can accept or, if you are not available at that time scheduled please propose a new time and/or date, or contact me at x8430 to reschedule. Thank you for your co-operation in this matter.