

COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

February 12, 2013

James C. Cox, Medicaid Inspector General
 Office of the New York State Medicaid Inspector General
 800 North Pearl Street
 Albany, New York 12204

Re: Letter From Erie County Deputy Comptroller – Audit Regarding Request for OMIG Investigation

Dear Inspector General Cox:

It has come to our attention that the Erie County Deputy Comptroller – Audit Theresa M. Fraas has written to you requesting an immediate audit or investigation by the New York State Office of Medicaid Inspector General (“OMIG”) and/or the New York State Comptroller’s Office (“State Comptroller”) in relation to an anonymous letter sent to the Erie County Comptroller’s Office (“Comptroller”) dated January 25, 2013, alleging a violation of Medicaid benefit recertification by County employees.

Please be assured that if there are any improper or questionable actions on the part of any Erie County government employee, this administration is determined to address it immediately, and not wait for the results of any months-long audit or review by the Comptroller’s Office.

We are disappointed in the new Comptroller’s decision to level such serious accusations publicly and to contact three separate state agencies before the Comptroller’s Office even conducts a formal audit entrance conference with the Erie County Department of Social Services (“DSS”). That entrance conference is scheduled to be held on Thursday, February 14, 2013.

DSS received the audit announcement letter on February 6, 2013, and immediately began discussions with the Comptroller’s Office to establish the situation and scope of the audit. At DSS Commissioner Carol Dankert’s request, the Comptroller eventually sent an audit scope letter to DSS on February 11, 2013 (a copy of this audit scope letter is enclosed). However, much to our surprise, Ms. Fraas had apparently already sent her letter to OMIG and the other state agencies on February 8, 2013.

We are further troubled by the Comptroller’s unwillingness to share any detailed evidence or information supporting their inquiry which would allow this administration to commence an immediate internal investigation and potentially halt any improper actions by DSS employees. Commissioner Dankert has requested such information from the Comptroller but, to date, there has not been a positive response.

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Unfortunately, this appears to be the latest in a troubling trend of interactions with the newly elected Comptroller including four separate requests for information sent on the same day to all county commissioners, for complex and detailed information that was due within two days. This trend indicates that the Comptroller is more interested in making information requests and doing so publicly than he is in receiving and analyzing such data. In addition, the Comptroller has not seen fit to comply with the standards established for public sector audits. In fact, the Comptroller is demanding confidential information from the County Department of Social Services while a request made by him to the Law Department to determine if such confidential information can be provided under the law is still pending.

We believe our Medicaid program, which is regularly audited now, is in compliance with state and federal certification guidelines. Nonetheless, this administration takes very seriously any allegations—substantiated or not—of purported wrongdoing by County employees and is thoroughly committed to the prevention of Medicaid waste, fraud and abuse as evidenced by our three party Memorandum of Understanding entered into by this administration in 2012 establishing an Erie County Medicaid Demonstration Project under the guidance of OMIG and the New York State Department of Health. Ultimately, this administration is interested in taking immediate corrective action in advance of a lengthy audit should evidence show any issue with non-compliance of state regulations and we pledge to cooperate fully with any state or federal agencies, including OMIG and the State Comptroller, that is authorized under the law to conduct an audit of our Medicaid certification process.

If you have any questions, or would like to discuss this matter further, please do not hesitate to contact me or Commissioner Dankert. Thank you in advance for your assistance and courtesies.

Sincerely yours,



Richard M. Tobe
Deputy Erie County Executive

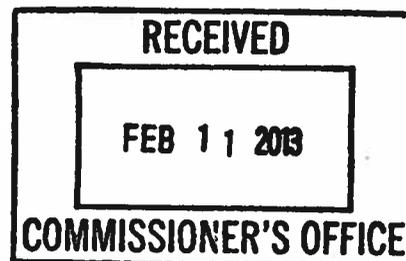
cc: Honorable Thomas P. DiNapoli, New York State Comptroller
Honorable Eric T. Schniederma, New York State Attorney General
Honorable Mark C. Poloncarz, Erie County Executive
Honorable Stefan I. Mychajliw, Erie County Comptroller
Andrew A. SanFilippo, New York State Executive Deputy Comptroller
Erie County Attorney Michael Siragusa
Erie County Legislature



COUNTY OF ERIE
STEFAN I. MYCHAJLIW
COMPTROLLER

February 11, 2013

Carol Dankert, Commissioner
Erie County Department of Social Services
95 Franklin Street, 8th Floor
Buffalo, New York 14202



Dear Commissioner Dankert:

I am in receipt of your letter dated February 7, 2013. In this letter you requested a draft of the scope and objectives of our audit of the Eligibility and Recertification processes within the Medicaid and Public Assistance Units of the Department of Social Services.

We will be looking at the processes and testing transactions for the period January 1, 2011 through January 31, 2013. Our objectives are to:

- Document and evaluate if internal controls within these processes are sufficient to minimize risks.
- Determine if all persons that have been deemed eligible for Medicaid benefits have met the eligibility requirements as prescribed by regulation.

You have scheduled the entrance conference for Thursday, February 14th at 2:00pm in Room 805. At that time, we would like to obtain the following:

1. Departmental organizational charts with a brief summary of key tasks performed by job title
2. Copies of departmental policies and procedures (or access to them and we will make copies)
3. Copies of regulatory guidance that prescribes procedures for determining eligibility and required documentation in files.

We would also like to discuss working hours, access to records and meet key personnel with whom we will be working.

At the commencement of our fieldwork, two staff auditors will begin to work in each of the units to perform a walkthrough of the process and document the flow of information and tasks performed in a flow chart. Internal controls will be identified and tests will be performed to confirm that identified

controls are working as intended. We will also be selecting a sample of eligibility files to examine for completeness. Since these eligibility files and records were created by Erie County workers, our Charter gives us authorization to examine such. We will sign any confidentiality agreements that you deem are necessary. I will also be working in the field from time to time. We would like to begin field work on Friday, February 15th. I expect that fieldwork will continue through March 8, 2013 but this may have to be adjusted one way or the other depending on the number of files selected for review and/or any unforeseen circumstances. The bulk of the time we need to spend with your staff should be at the beginning of fieldwork while we document the workflow.

At the entrance conference I will also explain how findings will be handled and how I will communicate our audit progress.

Should you have any questions, please feel free to contact me at x8430.

Sincerely,



Teresa Fraas, Deputy Controller – Audit and Control
Erie County Comptroller's Office