



# **Onondaga County Department of Social Services-Economic Security-Medicaid**

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**By Onondaga County Comptroller Martin D. Masterpole**

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# **SECTION I**

## **INTRODUCTION & BACKGROUND**

### **Introduction**

The Onondaga County Department of Social Services - Economic Security - Medicaid provides comprehensive coverage of health care, long-term services and support to individuals who meet income and resource guidelines. Onondaga County Medicaid Program consists of two units that determine the eligibility for potential clients, Chronic Care and Community. The Chronic Care unit services clients age 65 and up, disabled or blind. The Community Unit clientele is primarily children, pregnant women and adults.

The Medicaid program is a major federal reimbursement program and subject to a Federal Single Audit. Medicaid is the largest dollar federal grant program, and considered high risk, pursuant to the Code of Regulations, (2 CFR section 200.519.) The 2023 & 2022 Medicaid program reimbursements were \$781,247,553 and \$728,898,165 respectfully.

### **Background**

The Medicaid program began in 1965 with the passage of Title XIX of the Social Security Act, 42 USC 1396 et seq. Medicaid intended to provide medical assistance to residents whose income and resources were insufficient to meet the cost of necessary medical services. Federal law required states to cover certain eligible mandatory groups of individuals such as low-income families, qualified pregnant women and children and individuals receiving Supplemental Security Income (SSI). Under the program, the federal government provided matching funds to states to enable them to provide medical assistance to residents that met certain eligibility requirements. Once a state opts to create a Medicaid program, it must abide by federal rules. The federal rules allow for considerable flexibility, as the states have the opportunity to apply to the Federal Centers for Medicare and Medicare Services (CMS), for a Waiver of Federal requirements. Waivers provide the flexibility needed to enable States to customize approaches to the efficient and cost-effective delivery of health care services and to adapt to the special needs of a particular area or group of beneficiaries.

New York State, (NYS) has participated in the Medicaid program since 1967. NYS Department of Health administers the Medicaid program under a State plan, approved by CMS. The Medicaid state plan is comprehensive to include the nature and scope of the Medicaid program. At any time, the state may propose changes to the state plan in accordance with 42 CFR 430.12. The County's Local District Social Services, (LDSS) office and New York City Human Resource Administration determine the eligibility and enrollment for the Medicaid program. The LDSS is responsible for ensuring the Medicaid program meets all federal requirements for eligibility. While eligibility is determined in the LDSS offices, New York State pays out the Medicaid benefits.

In July 1997, New York State received approval from the CMS for its Partnership Plan Medicaid Section 1115 Demonstration. In implementing the Partnership Plan Demonstration, its goal was to improve access to health care for the Medicaid population, improve the quality of health services delivered, expand access to family planning services and expand coverage to additional low-income individuals with resources generated through managed care. There have been several amendments and waivers over the years, which have improved the plan. For instance:

- The enactment of the Affordable Care Act (ACA), the state developed the New York State of Health (NYSOH) an online marketplace for individuals to obtain health insurance coverage including Medicaid. The NYSOH system began processing the applications of eligibility as of January 1, 2014. The ACA created the opportunity for states to expand Medicaid to cover nearly all low-income Americans under age 65. Eligibility for children was extended to 133 percent of the federal poverty level (FPL).
- The ACA established a new methodology for determining income eligibility for Medicaid, Modified Adjusted Gross Income (MAGI). MAGI is used to determine financial eligibility for Medicaid, Children's Health Insurance program (CHIP), and premium tax credits and cost sharing reductions available through the health insurance marketplace. By using one set of income accounting rules and a single application across programs, the Affordable Care Act made it easier for people to apply and enroll in the appropriate program. Based on household circumstances, not all eligibility can be determined using MAGI-based income accounting rules and are determined using income methodologies of the Supplemental Security Income (SSI) program.
- In response to the Covid-19 Pandemic, the Families First Coronavirus Response Act, (FFCRA) enacted a Waiver that ensured no one would lose their Medicaid coverage on or after March 18, 2020 during the public health emergency, unless an individual voluntarily terminated coverage. During this time, LDSS allowed self-attestation for all eligibility criteria except for immigration. This included processing applications, requests for increased coverage and eligibility redeterminations. The district allowed for attestation during this time, however when documentation was provided, it was used to verify eligibility. The Waiver ended April 30, 2023 with a three-month grace period. As of July 1, 2023, the LDSS returned to enforcing eligibility requirements.

## **Executive Summary**

The Onondaga County Comptroller's Office engaged in an audit of the Social Services - Economic Security – Medicaid, (MA) to ensure the programs internal controls are operating sufficiently and in compliance with federal regulations. Internal Controls should provide reasonable assurance that only eligible individuals receive MA assistance under the federal award programs and in accordance with program requirements supported by proper documentation.

Over the course of the audit, we tested for compliance requirements to this specific federal program. Forty new open cases of Medicaid-Chronic Care and Medicaid-Community and 25 cases due for recertification were tested. Based on our test work, it appears all eligibility was determined properly.

## **SECTION II**

### **SCOPE AND METHODOLOGY**

#### **Scope:**

The purpose of this report is to provide Onondaga County's Department of Medicaid with information and recommendations on the internal controls and operating effectiveness as it pertains to eligibility for the Medicaid program. In order to gain an understanding of their current process we analyzed a variety of data during the audit period of January 1, 2023 through December 31, 2023.

Our objectives for the audit were to:

- Determine if expenditures associated with Medicaid were made on behalf of eligible individuals and for allowable activities and costs.

#### **Methodology:**

In order to complete our objectives we:

- Reviewed applicable laws, policies, procedures and regulations to attain an understanding of the Medicaid Assistance Program for Chronic Care and Community.
- Interviewed staff and management responsible for oversight and implementation of the aforementioned laws, policies, procedures and regulations.
- Selected and tested a sample of client cases in order to determine if internal controls are operating effectively to properly determine eligibility for the Medicaid-Chronic Care program and the Medicaid-Community program.
- Discussed draft findings and recommendations with Medicaid administrators for their input and evaluation.
- Finalized our findings and recommendations and included them in this report.

### **SECTION III**

## **FINDINGS AND RECOMMENDATIONS**

There were no findings or recommendations per this audit; therefore, a management response is not necessary.