



[2012 Medicare Advantage](#) Find New York Medicare Plans Today. Annual Enrollment Ends Dec. 7! www.WellCare.com/MedicareAdvantage
[Medicare](#) Complete List of Medicare Plans in Your Area. Compare & Save Today! PlanPrescriber.com
[Empire@ BCBS Medicare](#) Get the Right Plan for You. Coverage You Want When You Need it. Medicare-Empire.com/Advantage-Plan

About these ads

Medicaid: NY auditors stumble on \$60 million in savings

Medicaid auditors in New York discover Medicaid was often being billed incorrectly.

By Michael Gormley, Associated Press / October 30, 2011



New York Governor Andrew Cuomo (shown here speaking at a cabinet meeting in Albany, New York, earlier this month) says a Medicaid billing error was costing taxpayers \$8 million a month.

Hans Pennink/Reuters/File

Enlarge

On a hunch, state auditors Mike Ernst and Joe Gagnon decided to go beyond their usual work of searching out intricate fraud schemes and double check some of the most basic data in the massive Medicaid bureaucracy: The patient's address.

Related stories

- Medicare could save \$125 billion
- Medicaid bears brunt of states' budget crunch
- New York Gov. Andrew Cuomo talks 'change' but not budget cuts

Topics

- Industries Health Care Services Sector Health Care Goods and Services Public Finance
- Social Services Funding Government Spending Federal Budget

They found a nearly \$60 million mistake.

The auditors in the Medicaid Inspector General's Office discovered that managed care companies often inaccurately billed the government health program based on where patients got care, not where they lived.

That meant some health care providers were getting paid more than the program allowed. Gov. Andrew Cuomo said the error was costing New York taxpayers \$8 million per month.

SEE ALSO: Four scenarios for health-care law's future

"They found and implemented a way to save taxpayers more than \$8 million in Medicaid costs every month without compromising care," Cuomo said. "They showed that ideas for giving New Yorkers the government they deserve can come from any level, especially when staff are encouraged to think aggressively and out of the box."

Medicaid's payments to health care providers vary considerably from county to county, mostly to account for differences in the cost of living between places like Manhattan, and rural upstate towns. Many health care providers are in counties with higher reimbursement rates, but they are still supposed to be paid based on where the patient lives.

State officials chalk it up as a mistake, or "locator code error," not fraud. But the fix has already saved \$41.3 million in five months — half of it state dollars. The state has recovered another \$16 million.

The fix required the Health Department to rewrite software.

SEE ALSO: Four scenarios for health-care law's future

Related stories

- Medicare could save \$125 billion
- Medicaid bears brunt of states' budget crunch
- New York Gov. Andrew Cuomo talks 'change' but not budget cuts

Topics

Industries Health Care Services Sector Health Care Goods and Services Public Finance Social Services Funding Government Spending Federal Budget New York State Politics U.S. State Politics



Have a Retirement Plan?
Have a \$500k portfolio? Ken Fisher, a 27-year Forbes columnist, has a retirement guide for you!
[Learn more](#)



Warning: 50% Unemployment
Famed economist predicts economic calamity in 2012. See the evidence. [Learn more](#)



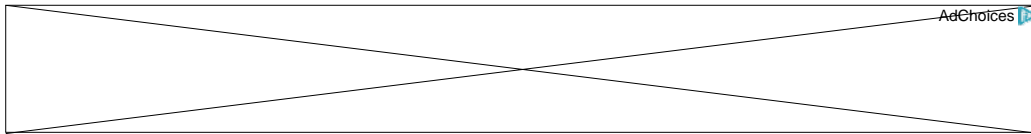
New York Debt Bailout?
New York: Residents can now legally erase credit card debt. Act now fast to become debt free..
[Learn more](#)



New Trick in New York
New York - If you have car insurance and you drive 25 mi/day or less you better read this...
[Learn more](#)

Sign up for our weekly BizTech newsletter. And don't forget to follow us on Twitter @CSMecon or Facebook.

Save \$60 when you give the Monitor this holiday season!



© The Christian Science Monitor. All Rights Reserved. [Terms](#) under which this service is provided to you. [Privacy Policy](#).