

Audit: Veterans wrongly put on Medicaid

Joseph Spector, Wires 11:26 p.m. EDT March 20, 2014



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ALBANY – Veterans in New York seeking health insurance have been wrongly placed in the state's Medicaid program in many cases rather than federal programs, an audit Wednesday said.

State Comptroller Thomas DiNapoli charged that the mistakes have occurred in recent years because of poor coordination between the state Health Department and local social-services departments.

Auditors found that in 89 percent of the 91 cases reviewed, veterans were placed in Medicaid rather than federal programs managed through veterans' affairs agencies.

"Our nation's heroes should be told that they have options when it comes to where they receive the health benefits they need and deserve. They should not be at the mercy of administrative problems, nor should taxpayers," DiNapoli said in a statement.

The audit found that from January 2013 through October, Medicaid paid more than \$105 million for services provided to veterans. Auditors reviewed cases in six counties, including Erie and Monroe counties, and neither county referred clients to federal programs.

The 91 Medicaid recipients over a five-year period received \$12.1 million in services, the audit said.

New York spends the most in the country on its Medicaid program, about \$58 billion a year.

The Health Department defended its handling of the veterans' cases. In a written response attached to the audit, the department said most veterans in recent years have been enrolled in managed-care programs. The state pays one price for veterans' care, regardless of what government entity manages it, the agency said.

"The health-care costs paid for veterans currently represents approximately one to two percent of total Medicaid spending," the department wrote, "and the 'significance' of these savings has diminished over time as the department is enrolling most eligible individuals in managed-care plans."

The audit is a follow-up to a review in 2002 that found 15,390 veterans received Medicaid services totaling more than \$191 million in 2001. The Health Department asked local agencies to try to coordinate care through the U.S. Department of Veterans Affairs.

But DiNapoli's audit Wednesday found that during a five-year period ending a year ago, New York's Medicaid program reimbursed health care providers \$3.5 billion for medical services provided to 70,000 veterans.

Many of the veterans were also entitled to benefits through the VA, DiNapoli said. Also, 679 Medicaid recipients who appeared to be veterans' dependents were potentially eligible for VA medical benefits during the five-year period. Medicaid paid health care providers nearly \$50 million for dependents' care, the audit said.

New York has about 913,000 veterans.

Monroe County spokesman Justin Feasel said the county has been working to move veterans into federal health programs.

"During the past year, the county's Veterans Service Agency and Department of Human Services have been working jointly with local veterans applying for programs," Feasel said in a statement. "This collaborative effort has resulted in the county advising 200 veterans to enroll in VA programs rather than the state's Medicaid program."

To view the report, visit <http://www.osc.state.ny.us/audits/allaudits/093014/12s162.pdf> (<http://www.osc.state.ny.us/audits/allaudits/093014/12s162.pdf>)

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