

12404

Robert P. Astorino
County Executive

Department of Social Services
Kevin P. Mahon
Commissioner

Date: June 16, 2010

To: Board of Acquisition and Contract

From: Kevin P. Mahon
Commissioner of Social Services

Subject: **Authority for the County of Westchester, acting by and through its Department of Social Services, to exercise its first renewal option under the agreement with Island Peer Review Organization, Inc. d/b/a IPRO for the purpose of conducting Medicaid Compliance Reviews for the County by extending the contract for one (1) additional year commencing on September 1, 2010 and terminating on August 31, 2011 for an amount not to exceed \$1,000,000 pursuant to an approved budget and subject to appropriation.**

By resolution approved on May 7, 2009, your Honorable Board authorized the County of Westchester, acting by and through its Department of Social Services, to enter into an agreement with Island Peer Review Organization, Inc., d/b/a IPRO to conduct Medicaid Compliance Reviews for the County, for the period September 1, 2009 through August 31, 2010 for an amount not to exceed \$1,000,000, with the County having the option to renew the agreement for two additional one-year terms for amounts to be negotiated. The contract was subsequently executed.

The County now seeks the authority to exercise the first option to extend the aforesaid contract with Island Peer Review Organization, Inc. d/b/a IPRO for one (1) additional year commencing on September 1, 2010 and ending on August 31, 2011 for an amount not to exceed \$1,000,000 to be paid monthly pursuant to an approved budget and subject to appropriation. The original A & C authorization and agreement stated that the renewals would be at an amount to be negotiated. IPRO wanted to negotiate up with the Department for the new contract term. However, the Department insisted that there could be no increase in the not to exceed amount for the new term because of the budget constraints. The contractor agreed to provide the services for the same NTE as we had under the current contract. The rates will also remain the same.

The New York State Association of Counties and its member counties have been working with the State Department of Health and the Medicaid Inspector General's Office to develop a project designed to assist the State in tackling Medicaid fraud, waste or abuse at the county level. Participation in this project makes Westchester County a partner in the effort to detect, investigate and prosecute Medicaid fraud, waste and abuse and to increase recoveries to both State and local governments.

This contract serves a **public purpose** in that it provides the means for the County to detect, investigate and prosecute Medicaid fraud, waste and abuse and generate recoveries to both state and local governments.

The **goals and objectives** of this agreement are:

- to evaluate claims data and other Medicaid information from the data warehouse and Salient Solutions in order to identify targets for audit or further investigation
- to conduct audits and reviews of providers' compliance with Medicaid billing and program requirements
- to provide pre-litigation and litigation services and testify at proceedings as necessary

These **goals and objectives are in the best interests of the County in terms of health and safety** in that the efforts put forth through this contract are designed to maintain and protect the integrity of the Medicaid system. Medicaid is the largest source of funding for medical and health-related services for people with limited income. Improving the efficiency and accountability of the Medicaid program by preventing and detecting fraudulent, wasteful and abusive practices protects the health and safety of the Westchester County residents receiving health care services through this program.

Also, these **goals and objectives are in the best interests of the County as regards fiscal responsibility** in that the identification and prosecution of Medicaid fraud acts as a deterrent against future fraud and, in many instances, results in the recovery of funds expended by the taxpayers. Achieving success in areas such as Medicaid recoveries is a significant step toward economic well-being.

The goals and objectives of this agreement will be tracked and monitored through performance measurement indicators approved by the County Budget Office, through the submission of audit reports, weekly conference calls and monthly written status reports on investigation/audit activity.

Without this service the County would not have successfully investigated, identified and prosecuted Medicaid fraud and recovered resources which reduced the financial burden to taxpayers for Medicaid recipients' health care.

The Department is able to report that as of May 31, 2010, according to the final audit reports, \$2,942,899 has been identified in recoveries of which the Office of the

Medicaid Inspector General (OMIG) has collected \$2,023,511. There is an additional \$3,700,000 pending in draft audits which is being reviewed by the OMIG.

Except as specifically amended hereby, all other terms and conditions of the original agreement shall remain in full force and effect.

Accordingly, authority is requested to enter into an agreement with Island Peer Review Organization, Inc. d/b/a IPRO to provide the above said services.

Approval of the attached resolution by your Honorable Board is respectfully requested.

APPROVED BOARD OF ACQUISITION & CONTRACT - 7-8-2010 - JOMARY VIEIRA, SECRETARY

RESOLUTION

Upon a communication from the Commissioner of the Department of Social Services, be it hereby

RESOLVED, that the County of Westchester, acting by and through its Department of Social Services, is hereby authorized to exercise its first option to extend a contract with Island Peer Review Organization, Inc., d/b/a IPRO for the purpose of conducting Medicaid Compliance Reviews for the County for an additional year commencing on September 1, 2010 through August 31, 2011 for an amount not to exceed \$1,000,000 to be paid monthly pursuant to an approved budget; and be it further

RESOLVED, that the Agreement is subject to County appropriations; and be it further

RESOLVED, that the Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of the Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate the Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Agency, then the Agency shall have the right to terminate the Agreement upon reasonable prior written notice; and be it further

RESOLVED, that except as specifically amended hereby, all other terms and conditions of the original agreement shall remain in full force and effect; and be it further

RESOLVED, that the County Executive, or his authorized designee, is hereby authorized to execute all instruments and take all actions necessary to implement this resolution.

Original Contract Amount:	\$1,000,000
This Extension:	<u>\$1,000,000</u>
Total	\$2,000,000

Account to be
Charged/Credited

	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub- Object	Trust Account	Dollars
2010	101	22	4000	4420	_____	\$400,000
2011	101	22	4000	4420	_____	\$600,000

Budget Funding Year(s): 2010-11 Start Date: 9/1/10 End Date: 8/31/11
(must match resolution)

Funding Source

\$1,000,000

(must match resolution)

Tax Dollars: _____

State Aid: 50%

Federal Aid 50%

Other _____

APPROVED BOARD OF ACQUISITION & CONTRACT - 7-8-2010 - JOMARY PEIRA, SECRETARY