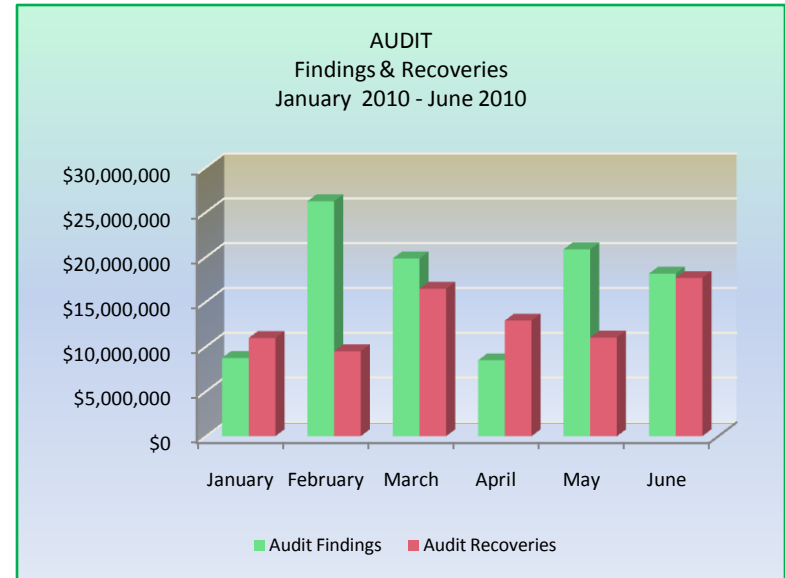
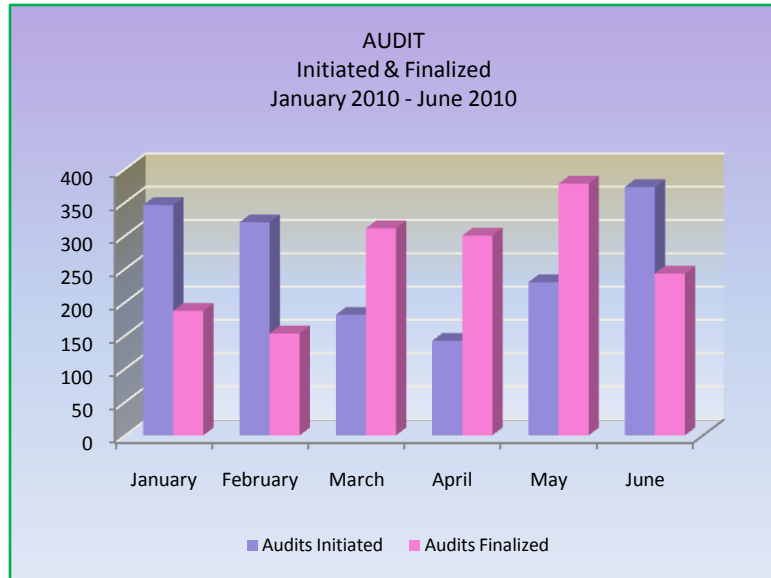


**Audit Activity**

The OMIG initiates audit collections when it has been determined that a provider has submitted or caused to be submitted claims for medical care, services, or supplies for which payment should not have been made. Amounts reported represent the value of final audit reports, identified overpayments issued during the quarter and the value of recoveries from mail out and systems match activity. Recovery amounts are achieved by receipt of cash, provider withhold and voided claims.



|                  | 2010         |              |              |              |              |              | Totals*       |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                  | January      | February     | March        | April        | May          | June         |               |
| Audits Initiated | 346          | 320          | 181          | 142          | 230          | 373          | 1,592         |
| Audits Finalized | 187          | 153          | 311          | 300          | 378          | 243          | 1,572         |
| Audit Findings   | \$8,729,076  | \$26,213,759 | \$19,828,900 | \$8,468,854  | \$20,846,374 | \$18,135,747 | \$102,222,710 |
| Audit Recoveries | \$10,949,911 | \$9,471,380  | \$16,445,181 | \$12,896,063 | \$11,005,671 | \$17,646,869 | \$78,415,075  |

**Definitions :**

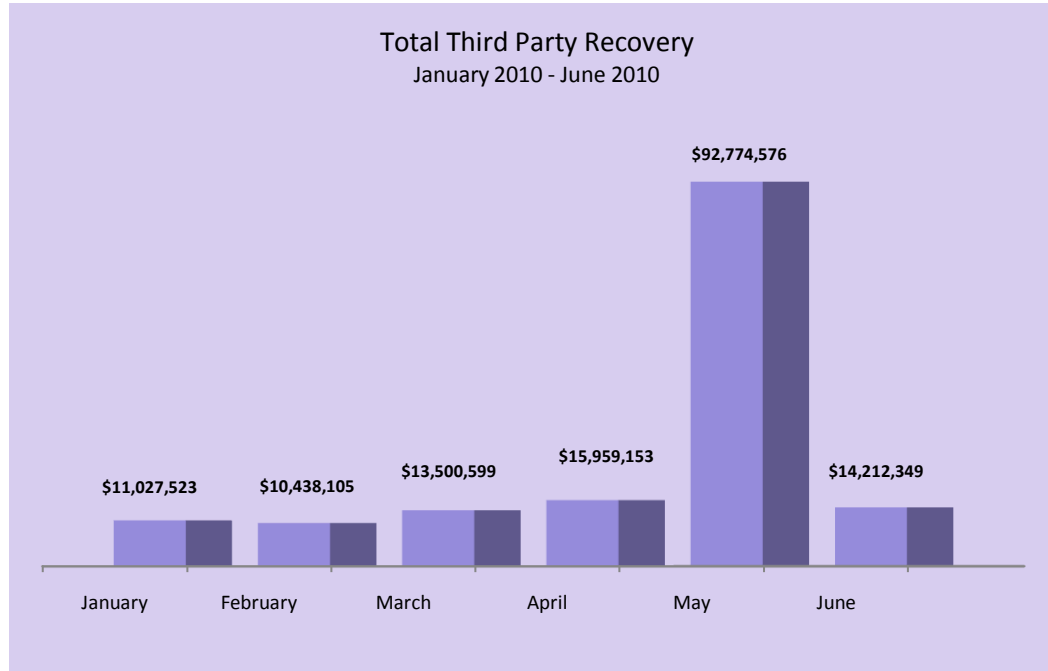
**Number of audits finalized** – the number of audits finalized is defined as “Any audit with a Final Report issued or a Settlement Report issued”.

**Audit Findings** – this data reflects the dollar amount of either the Final Audit or Settlement Agreement amount. If there is a Final and Settlement that occur in a different reporting period the net difference of the two is reported.

**Audit Recoveries** – this data is the dollar amount of any receipt posted to an audit finding that has a posted/transaction date that falls within the reporting period. Receipts can be in the form of withhold receipts, voided claims and checks received from providers.

### Third Party Recoveries

Third Party Recovery is a post-payment review of paid Medicaid claims performed by State contractors who test claims for the existence of third party liability. The availability of third party payment for the specific services provided is verified and, where determined appropriate, Medicaid recovery activities are undertaken.

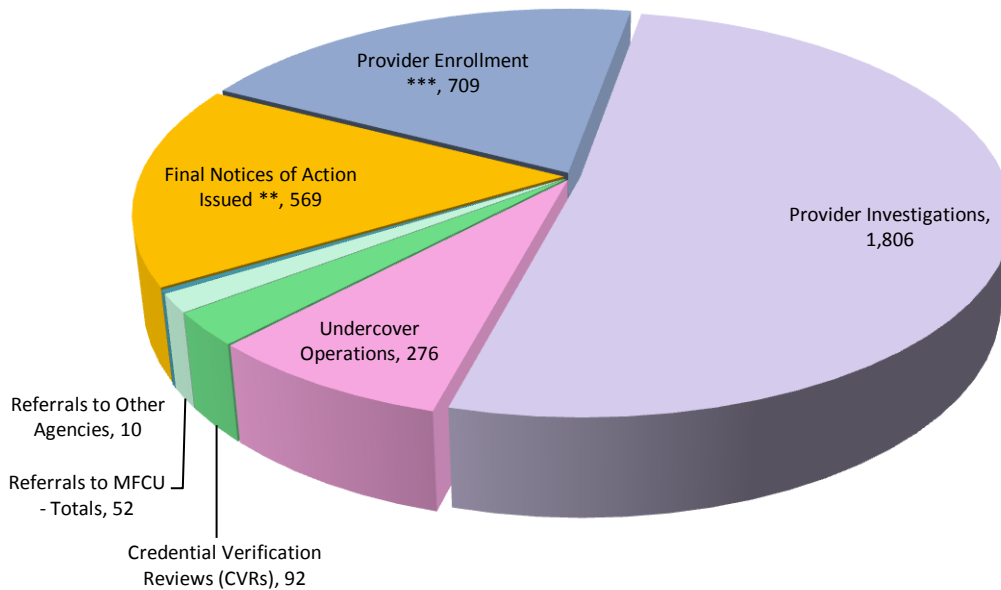


| Third Party Recovery |              |              |              |              |              |               |
|----------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| January              | February     | March        | April        | May          | June         | Total         |
| \$11,027,523         | \$10,438,105 | \$13,500,599 | \$15,959,153 | \$92,774,576 | \$14,212,349 | \$157,912,305 |

**Provider Investigation Activity**

Activity involving any entity that is enrolled in the Medicaid Program and provides medical services to Medicaid recipients.

Provider Investigation Activity  
January 2010 - June 2010

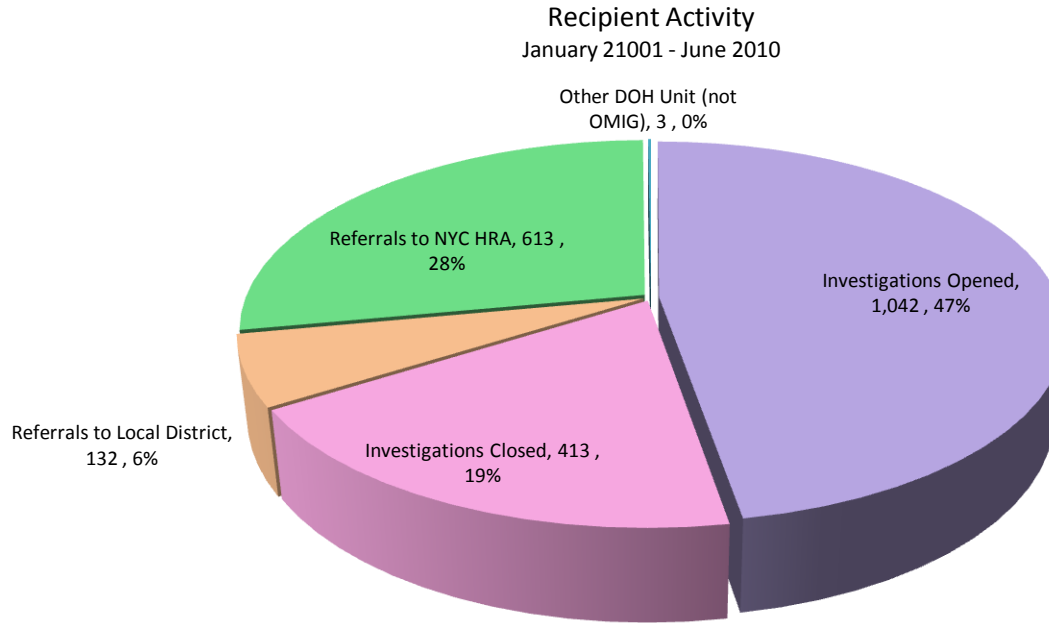


| Provider Activity                      | Qtr 01 2010 | Qtr 02 2010 | Total Jan – Jun 2010 |
|--|-------------|-------------|----------------------|
| Provider Investigations                | 894         | 912         | 1,806                |
| Undercover Operations                  | 176         | 100         | 276                  |
| Credential Verification Reviews (CVRs) | 38          | 54          | 92                   |
| Referrals to MFCU - Totals             | 17          | 35          | 52                   |
| Referrals to Other Agencies            | 4           | 6           | 10                   |
| Final Notices of Action Issued **      | 294         | 275         | 569                  |
| Provider Enrollment ***                | 301         | 408         | 709                  |

\*\* Includes exclusions/terminations initiated by OMIG or sent to OMIG from other state and federal agencies. Does not include providers not enrolled in the Medicaid Program.  
 \*\*\* OMIG receives approximately 15% of OMM's enrollment applications for further review. OMIG has 90-120 days to render a decision on a completed application.

**Recipient Investigation Activity**

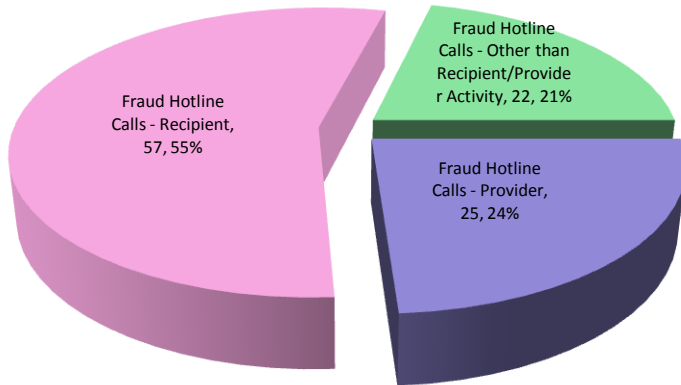
Activity involving people who meet the qualifications, have applied for and are eligible to 'receive' medical services via the Medicaid Program.



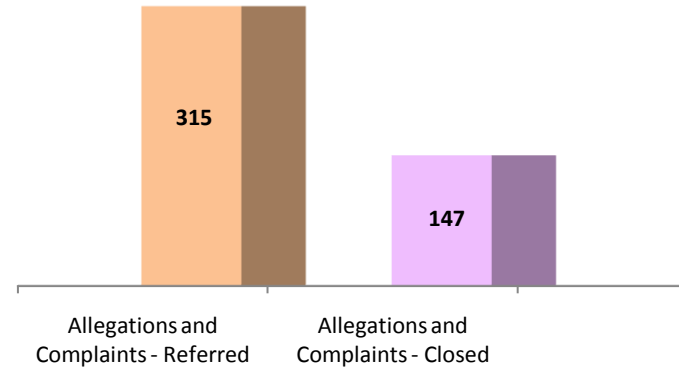
| Recipient Activity          | Qtr 01 2010 | Qtr 02 2010 | Total        |
|-----------------------------|-------------|-------------|--------------|
| Investigations Opened       | 426         | 616         | <b>1,042</b> |
| Investigations Closed       | 85          | 328         | <b>413</b>   |
| Referrals to Local District | 47          | 85          | <b>132</b>   |
| Referrals to NYC HRA        | 235         | 378         | <b>613</b>   |
| Other DOH Unit (not OMIG)   | 2           | 1           | <b>3</b>     |

Fraud Hotline Calls

Fraud Hotline Calls  
January - March, 2010  
(First Quarter)



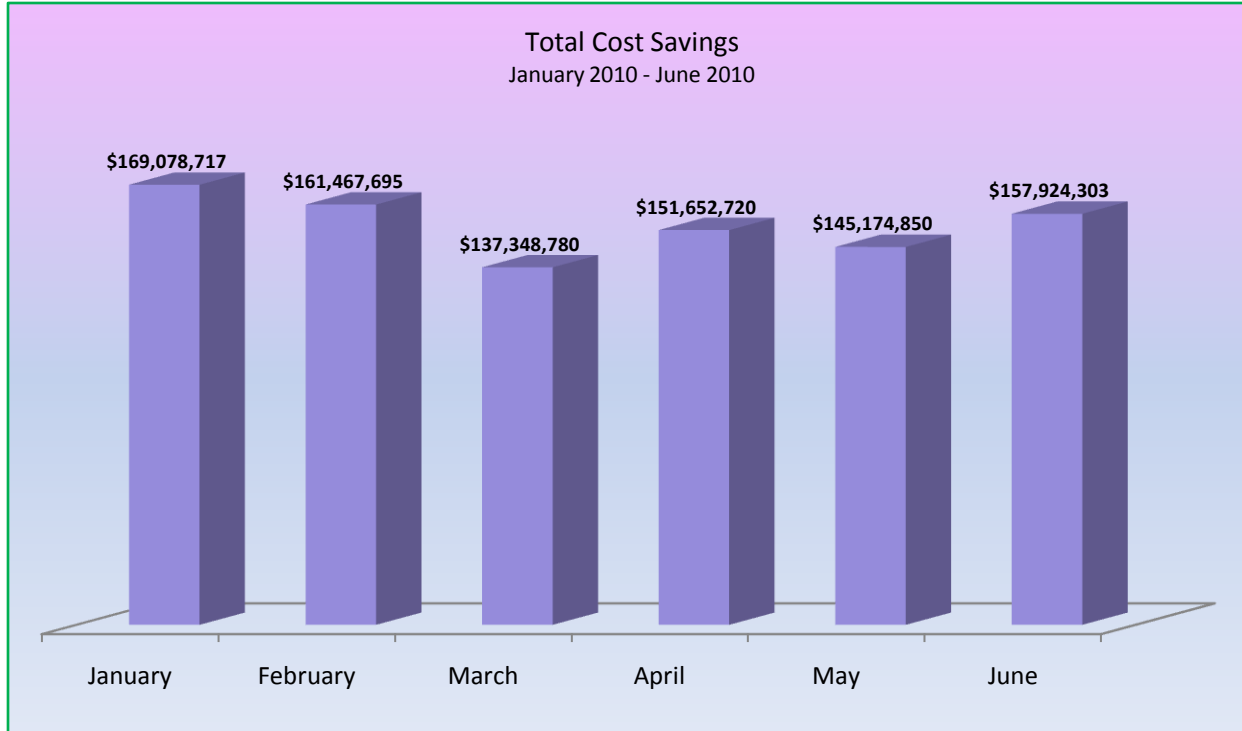
Allegations and Complaints  
April 2010 - June 2010  
(Second Quarter)



| Fraud Hotline Calls  |             |
|--|-------------|
|  | Qtr 01 2010 |
| Fraud Hotline Calls - Provider                               | 25          |
| Fraud Hotline Calls - Recipient                              | 57          |
| Fraud Hotline Calls - Other than Recipient/Provider Activity | 22          |
| <b>Total</b>   | <b>104</b>  |

| Allegations and Complaints                       |             |
|--|-------------|
|  | Qtr 02 2010 |
| Allegations and Complaints - Referred            | 315         |
| Allegations and Complaints - Closed              | 147         |
| <b>Total Allegations and Complaints Received</b> | <b>462</b>  |

COST SAVINGS ACTIVITIES



## MEDICAID FRAUD & ABUSE

## COST SAVINGS ACTIVITIES

| Cost Savings*   | January               | February              | March                 | April                 | May                   | June                  | Jan - Jun<br>2010<br>Total |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Card Swipe/Post and Clear                                   | \$ 26,948,975         | \$ 23,203,087         | \$ 6,883,763          | \$ 17,940,647         | \$ 6,013,207          | \$ 24,128,103         | \$ 105,117,782             |
| Clinic License Verification                                 | 3,320,105             | 2,921,407             | 1,958,781             | 1,842,209             | 1,855,990             | 1,653,095             | \$ 13,551,587              |
| Duplicate Clinic/Nursing Home Claim Editing                 | 53,604                | 107,606               | 2,877                 | 50,140                | -                     | 6,563                 | \$ 220,790                 |
| Edit 102  | 5,275                 | 7,357                 | 14,706                | 2,506                 | 23,974                | 3,366                 | \$ 57,184                  |
| Edit 1141 Activities  | 379,619               | 682,182               | 415,803               | 423,850               | 1,165,613             | 424,993               | \$ 3,492,060               |
| Edit 1236/1238 - Order/Service/Referring Provider # Invalid | 618,403               | 2,018,416             | 810,164               | 290,569               | 633,300               | 496,976               | \$ 4,867,828               |
| Edit 1344/927 - Transportation Claims                       | 505,727               | 118,512               | 72,912                | 59,933                | 52,529                | 176,163               | \$ 985,776                 |
| Edit 1357   | 1,128,404             | 527,400               | 209,867               | 595,991               | 118,867               | 149,505               | \$ 2,730,034               |
| Edit 748 - DME Denied Claims                                | 5,283                 | 27,028                | 21,731                | 5,259                 | 9,136                 | 10,173                | \$ 78,610                  |
| Edit 760 - Suspect Duplicate, Covered by Inpatient          | 378,907               | 185,315               | 304,193               | 246,263               | 307,422               | 177,792               | \$ 1,599,892               |
| Edit 903 - Ordering/Referring Provider Number Missing       | 5,183,944             | 3,979,253             | 2,297,960             | 1,648,216             | 2,180,915             | 2,610,920             | \$ 17,901,208              |
| Edit 939 - Ord Prov Excluded Prior to Ordt                  | 575,181               | 696,221               | 757,192               | 994,310               | 1,016,150             | 820,091               | \$ 4,859,145               |
| Edit 941/944 - Practitioner Claims                          | 11,530                | 52,633                | 11,747                | 5,833                 | 4,248                 | 11,370                | \$ 97,361                  |
| Enrollment and Reinstatement                                | 2,717,750             | 5,957,243             | 2,643,181             | 6,885,513             | 7,255,922             | 4,726,231             | \$ 30,185,840              |
| Exclusions/Terminations - Internal                          | 247,817               | 40,675                | -                     | 262,882               | -                     | -                     | \$ 551,374                 |
| Medicaid Payments for Deceased Recipients                   |                       |                       |                       | 366,416               | 374,978               | 920,752               | \$ 1,662,146               |
| Exclusions/Terminations - External                          | 203,335               | 1,764,217             | 1,748,843             | 14,298                | 67,472                | 69,529                | \$ 3,867,694               |
| Pharmacy Claims, Credits for Rx                             | 11,902,818            | 6,463,426             | 7,166,228             | 7,132,825             | 6,527,576             | 4,204,393             | \$ 43,397,266              |
| Pharmacies License Verification                             | 2,423,165             | 1,786,593             | 1,625,263             | 1,378,212             | 1,530,926             | 1,624,902             | \$ 10,369,061              |
| Pharmacy Prior Authorization (Serostim)                     | 4,393,074             | 4,369,641             | 4,312,384             | 4,346,219             | 4,297,425             | 4,490,683             | \$ 26,209,426              |
| Pre-Payment Insurance Verification - Commercial             | 67,297,004            | 66,607,140            | 66,981,112            | 69,239,938            | 72,845,443            | 75,353,025            | \$ 418,323,662             |
| Pre-Payment Insurance Verification - Medicare               | 26,171,740            | 24,402,044            | 23,005,535            | 22,505,512            | 22,723,872            | 18,984,374            | \$ 137,793,077             |
| Recipient Restriction                                       | 11,874,372            | 11,458,116            | 11,983,439            | 12,461,653            | 12,533,048            | 12,792,547            | \$ 73,103,175              |
| Serialized Prescription Program Edits                       | 2,720,978             | 4,079,444             | 4,102,805             | 2,934,014             | 3,624,589             | 4,074,641             | \$ 21,536,471              |
| Transportation Crossover Edit                               | 11,707                | 12,739                | 18,294                | 19,512                | 12,248                | 14,116                | \$ 88,616                  |
| <b>Total Cost Savings</b>                                   | <b>\$ 169,078,717</b> | <b>\$ 161,467,695</b> | <b>\$ 137,348,780</b> | <b>\$ 151,652,720</b> | <b>\$ 145,174,850</b> | <b>\$ 157,924,303</b> | <b>\$ 922,647,065</b>      |

\*The OMIG engaged an independent consulting firm ("consultants") to review its cost savings methodologies. The consultants recommended changes to the OMIG's cost savings methodologies that the OMIG elected to retroactively implement to January 1, 2008 because they more accurately reflected cost savings. The change in cost savings estimates use the actual Medicaid payment rate as opposed to the amount charged by the provider.