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Meet Lew Morris

Senior Counsel with Adelman, Sheff and Smith in Annapolis, Maryland; former Chief Counsel to the Inspector General, Department of Health and Human Services

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Bradley M. Smyer

by Roy Snell, CHC, CCEP-F

Commotion in the New York enforcement community

Please don't hesitate to call me about anything any time.

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Jim Sheehan has been named Chief Integrity Officer and Executive Deputy Commissioner of Mayor Bloomberg's Human Resources department in NYC. For those who don't know...Jim is an ex-DOJ prosecutor and former head of New York State Office of Medicaid Inspector General (OMIG). He recognized those who tried to prevent and detect regulatory wrongdoing and for those who don't try...well, let's just say he was a talented enforcement agent. Jim is at the center of the commotion at the New York OMIG office.

Snell



The New York Times reported, "New York State was paying for the medical care of dead people when Gov. George E. Pataki and the State Legislature created the Office of the Medicaid Inspector General to curb billions of dollars in fraud and misspending by health care providers." Jim was hired and the New York OMIG began promoting the implementation of compliance programs and he aggressively audited Medicaid providers. The state Medicaid recoveries increased significantly during Jim's time there.

Health care providers and state health care associations say that providers made mistakes and Jim treated the mistakes as fraud. *New York Times* and *Times Union* articles quoted several people who believed that political donors (some of whom were being audited) thought the department should take a different

approach. During the commotion over how the department should be run, Jim Sheehan, a political appointee, became...a former political employee. Whatever the truth is, some in the state wanted the OMIG to slow down and it appears those who executed the "OMIG slowdown plan" may have overshot their mark.

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The *Times Union* recently reported the OMIG has fallen on hard times after Jim's departure. The *Times Union* summed up the feeling of several OMIG employees with the following statement, the "OMIG seems to them to be aimless and unproductive." The other claims included an employee retiring early because she felt she was being asked to do something unethical, health safety

violations identified by the Labor Department, claims of mismanagement, and morale issues. Someone told the *Times Union* that feces were spread on the bathroom wall in a secure building. These claims included a complaint that a high ranking employee, "swore, banged her fist on a table and made employees feel threatened." The *Times Union* reported that after being accused of verbally harassing employees, she was reassigned to the Office of Employee Relations.

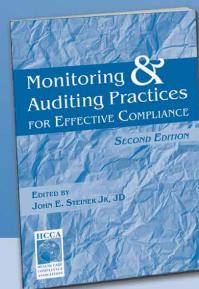
The *Times Union* reported one employee as saying, "...the office is not doing anything productive and is actually discouraging fraud investigations and is mismanaged." It also reported "new audits are rare, investigations are stalled and productivity is meager." Another employee claimed the OMIG is "highly politicized, dysfunctional, mismanaged

and ineffective agency where many of the 500 or so employees have little to do." Sources cited in the article, several by name, have more than two decades of experience as auditors at state agencies. A health care attorney reported, "audits have been ratcheted down pretty significantly." *The New York Times* reported that, "audit figures released by the state show that Mr. Cox's [new head of OMIG] findings of overpayments have fallen steeply...". OMIG understandably isn't commenting on ongoing internal investigations but it disputes the fact that recoveries are down. These allegations will either be borne out or disproved when more recovery data is available and internal investigations are completed.

One of the state health care associations was quoted as stating it thought the department was "functioning well." ☐

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