



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
MEDICAID PROVIDER NETWORKS
July 1, 2013 to May 31, 2016**

We found the division does not effectively monitor the adequacy of the Managed Care Organization (MCO) provider networks regarding access to care and provider availability. We found quarterly Geo Access reports submitted to the division by the MCOs were not accurate. We found MCOs misreported facilities in their networks as general acute care hospitals in certain counties, thus giving the appearance Medicaid beneficiaries had access to the general acute care hospital services when they did not. We also found dentists and primary care physicians (PCP) are not always at the locations stated in the Geo Access reports indicating the actual amount of dental providers and primary care physicians may be considerably less than what is reported by the MCOs. In addition, we noted the MCO online directories, which Medicaid beneficiaries rely on, do not always include accurate provider information. Furthermore, we found the division failed to request contractually required claims inactivity reports from the MCOs. These reports would have further enhanced the division's ability to monitor MCO provider networks. Finally, we found primary care physicians' panel sizes that exceeded contractual limits which can reduce the physicians' availability and the beneficiaries' access to care.

AUDIT HIGHLIGHTS

- We reviewed each of the five MCO networks as reported to the division in the Geo Access reports for portions of calendar 2014 and 2015, and found four of the five MCOs had misrepresented a total of 41 facilities in 14 counties as general acute care hospitals. By including these facilities in their networks, it appeared the MCOs met contract requirements and beneficiaries had appropriate access to hospitals.
- We reviewed dental network information provided in the Geo Access reports for the quarter ending December 31, 2015, for the two largest MCOs. We selected 52 individual dental providers from a population of 357 providers who were listed at five or more locations throughout the state. The dentists tested were listed at a total of 795 locations. We found the dentists were not providing services at 731 of the 795 listed locations on the Geo Access reports.
- The MCOs maintain online provider directories for beneficiaries to access. We tested a total of 251 specialist providers at individual locations and found 65 (25.9%) were not at the locations as stated on the online directories. For those providers at the locations, we determined 21 (11.3%) were not accepting the MCOs' insurance.
- The division is not requiring MCOs to report claims inactivity. This is a useful and effective means to monitor and effectively identify providers who may no longer be actively participating in the MCO networks. We found 3 MCOs with 17.9%, 25.2%, and 38.2% of their PCP networks meeting the claims inactivity criteria for the year.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click [here](#).