NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF INDEPENDENT HEALTH ASSOCIATION MULTIPLE CLIENT IDENTIFICATION NUMBERS IN DIFFERENT MANAGED CARE PLANS WITH CONCURRENT DATES OF SERVICE STARTING BETWEEN OCTOBER 1, 2009 AND DECEMBER 31, 2009

FINAL AUDIT REPORT
AUDIT # 14-1713

James C. Cox
Medicaid Inspector General

August 13, 2014

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STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
800 North Pearl Street
Albany, New York 12204

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

August 13, 2014

[redacted]
Independent Health Association
511 Farber Lakes Drive
Buffalo, New York 14221

Re: Final Audit Report
Audit # 14-1713
Provider ID # [redacted]

Dear [redacted]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid and/or Family Health Plus capitation payments made to Independent Health Association (Plan) which were paid for an individual who was concurrently enrolled in a different Managed Care Organization (MCO) under a different Client Identification Number (CIN). In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract) and Section 517.6 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (18 NYCRR), this report represents the final determination on the issues found during the OMIG's review.

BACKGROUND

The New York State Department of Health (the Department) is responsible for the administration of the Medicaid program. As part of its responsibility as an entity within the Department, the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at assessing provider compliance with applicable laws, regulations, rules and policies of the Medicaid program as set forth in New York Public Health Law, New York Social Services Law, the regulations of the Department (Titles 10 and 18 of NYCRR), the regulations of the Office of Mental Health (Title 14 of the NYCRR), and the Department's Medicaid Provider Manuals, *Medicaid Update* publications and the Contract.

PURPOSE AND SCOPE

The purpose of the audit was to identify instances where the Plan received a capitation payment from Medicaid for an individual who was concurrently enrolled in a different MCO under a different CIN, and then determine which of the concurrent capitation payments were paid inappropriately. These determinations are based on guidance provided by the Department Office of Health Insurance Programs (OHIP) and encounter data reported by the MCO, or lack thereof, during the concurrent enrollment period. If neither MCO reported encounter data during the concurrent enrollment period, the capitation payment will be recovered from the MCO affiliated with the CIN first closed by the local district. The scope of the audit includes capitation payments made to different MCOs with concurrent dates of service starting between October 1, 2009 and December 1, 2009 and continuing until the concurrent payments end.

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6 (SDOH Right to Recover Premiums), Section 6.1 (Populations Eligible for Enrollment), Section 19.7 (OMIG Audit Authority) and Appendix H and M, and Chapter 2: Eligible Populations of the New York State Operation Protocol for the Partnership Plan, the OMIG, on behalf of the Department, has the right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to have been ineligible for the entire applicable payment month.

FINDINGS

A Draft Audit Report was issued May 28, 2014 identifying $7,148.41 in inappropriately billed capitation payments for individuals concurrently enrolled in a different MCO under a different CIN. In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, Section 3.6 and Appendix H, the OMIG, on behalf of the Department, has the right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to have been ineligible for the entire applicable payment month. In its June 19, 2014 response (Attachment I) to the Draft Audit Report the Plan did not contest the findings of the Draft Audit Report. As a result, the findings of the Final Audit Report remain unchanged from those cited in the Draft Audit Report.

The total amount of overpayment, as defined in 18 NYCRR §518.1(c) is $7,148.41. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of $7,148.41. Therefore, there is no balance is due the New York State Department of Health (Attachment II).

PROVIDER RIGHTS

The Plan has the right to challenge this action and determination by requesting an administrative hearing within sixty (60) days of the date of this notice. In accordance with 18 NYCRR Section 519.18(a), "the issues and documentation considered at the hearing are limited to issues directly relating to the final determination. An appellant may not raise issues regarding the methodology used to determine any rate of payment or fee, nor raise any new matter not considered by the department upon submission of objections to a draft audit or notice of proposed agency action."

If the Plan wishes to request a hearing, the request must be submitted in writing to:

General Counsel
Office of Counsel
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

Questions regarding a request for a hearing should be directed to the Office of Counsel, at

If a hearing is held, the Plan may have a person represent the Plan or the Plan may represent itself. If the Plan chooses to be represented by someone other than an attorney, the Plan must supply along with the Plan's hearing request a signed authorization permitting that person to represent the Plan at the hearing; the Plan may call witnesses and present documentary evidence on the Plan's behalf.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid program, take action where appropriate, and recover any associated overpayments. Please contact or via e-mail at if you have any questions regarding the above. Thank you for your cooperation.

Sincerely,

Division of Medicaid Audit, Albany Office
Office of the Medicaid Inspector General

Attachments

CERTIFIED MAIL
RETURN RECEIPT REQUESTED