NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF NYS CATHOLIC HEALTH PLAN, INC. CAPITATION PAYMENTS FOR DECEASED MANAGED CARE ENROLLEES FEBRUARY 1, 2011 – NOVEMBER 1, 2014

FINAL AUDIT REPORT
AUDIT # 15-1136

Dennis Rosen
Medicaid Inspector General

August 11, 2015

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NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

August 11, 2015

[redacted]
NYS Catholic Health Plan, Inc.
c/o Fidelis Care NY
95-25 Queens Boulevard, 8th Floor
Rego Park, New York 11374

Re: Final Audit Report
Audit # 15-1136
Provider # [redacted]

Dear [redacted]:

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where NYS Catholic Health Plan, Inc. (Plan) received monthly Medicaid and/or Family Health Plus capitation payments in months when the enrollee was deceased. 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 (NYCRR), this report represents the final determination on the issues found during the OMIG's review.

BACKGROUND

The New York State Department of Health (Department) is the state agency 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 the 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 this audit was to identify instances where the Plan received a capitation payment subsequent to the enrollee's month of death. These cases were identified by a computerized match comparing Medicaid and Family Health Plus managed care enrollees to New York State and New York City Vital Statistic death record information. The review includes all dates of death reported through December 31, 2013 to Vital Statistics.

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, Section 3.6 (Compensation – State Department of Health Right to Recover Premiums) 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.

FINDINGS

A Draft Audit Report was issued on March 17, 2015 identifying $1,047,605.89 in overpaid capitation payments made to the Plan for periods subsequent to the enrollee's month of death. In its May 28, 2015 response to the Draft Audit Report, the Plan submitted documentation contesting a portion of the claims (Attachment I). Upon reviewing the documentation, the OMIG agreed to reduce the overpayments identified in the Draft Audit Report by $1,763.64 (Attachment II), resulting in an overpayment of $1,045,842.25. During the audit process, a rate adjustment of $12.47 occurred, increasing the total overpayment to $1,045,854.72. The total amount of overpayment as defined in 18 NYCRR § 518.1 is $1,045,854.72. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of $663,387.28. Repayment of $382,467.44 is due the New York State Department of Health (Attachment III).

As stated in the Contract, specifically Section 3.6, Appendix H of the Contract and 18 NYCRR Parts 517 and 518, the OMIG, on behalf of the Department, has a right to recover such overpayments paid to the Plan for enrollees listed on the monthly roster.

EFFECTIVE DATE

The OMIG, on behalf of the Department, is seeking to recover the remaining overpayment in the amount of $382,467.44 from the Plan, effective 20 days from the date of this Final Audit Report.

PAYMENT OPTIONS

18 NYCRR Part 518 governs overpayments; the Plan's repayment options are described below.

OPTION #1:

Make full payment by check or money order within 20 days of the date of the Final Audit Report. The check should be made payable to the New York State Department of Health, include the audit number and be sent with the attached Remittance Advice to:

New York State Department of Health
Medicaid Financial Management, B.A.M.
GNARESP Corning Tower, Room 2739
File # 15-1136
Albany, New York 12237-0016

OPTION #2:

Enter into a repayment agreement with the Office of the Medicaid Inspector General. If your repayment terms exceed 90 days from the date of the Final Audit Report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. If the process of establishing the repayment agreement exceeds 20 days from the date of the Final Audit Report, the OMIG will impose a 50% withhold after 20 days until the agreement is established. OMIG acceptance of the repayment agreement is based on your repaying the Medicaid overpayment as agreed. The OMIG will adjust the rate of recovery, or require payment in full, if your unpaid balance is not being repaid as agreed. In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against any amount owed. If you wish to enter into a repayment agreement, please contact the Bureau of Collections Management within 20 days at the following:

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

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 the 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 the Plan's participation in the Medicaid program, take action where appropriate, and recover any associated overpayments. Please contact for the disk password or 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 (3)

CERTIFIED MAIL #
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE	PROVIDER #: [redacted]
NYS Catholic Health Plan, Inc. c/o Fidelis Care NY 95-25 Queens Boulevard, 8th Floor Rego Park, New York 11374	AUDIT # 15-1136
AMOUNT DUE: $382,467.44	AUDIT TYPE [ ] PROVIDER [ ] RATE-LTC [ ] RATE-NH [X] MANAGED CARE

CHECKLIST

1. To ensure proper credit, please enclose this form with your check.

2. Make checks payable to: New York State Department of Health

3. Record the Audit Number on your check.

4. Mail check to:

[redacted]

New York State Department of Health
Medicaid Financial Management, B.A.M.
GNARESP Corning Tower, Room 2739
File # 15-1136
Albany, New York 12237-0016

5. If the provider number shown above is incorrect, please enter the correct number below.