



Office of the
Medicaid Inspector
General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

August 29, 2016

██████████
McAuley Residence
1503 Military Road
Kenmore, New York 14217

Re: MDS Final Audit Report
Audit #: 13-4285
Provider ID#: ██████████

Dear ██████████

This is the final audit report of findings with regard to the Office of the Medicaid Inspector General's (OMIG) Minimum Data Set (MDS) audit of McAuley Residence for the census period ending July 25, 2012. In accordance with 18 NYCRR §517.6, this final audit report represents the OMIG's final determination on issues found during OMIG's review.

We received your response to our draft audit report dated April 21, 2016. Your comments have been considered (see Attachment D) and the findings in the final audit report remain identical to the draft audit report.

The Medicaid overpayment of \$25,336.80 was calculated using the number of Medicaid days paid for the rate period January 1, 2013 through June 30, 2013 and the change in the direct component of your Medicaid rate as calculated by the Department of Health's Bureau of Long Term Care Reimbursement (BLTCR). The calculation of this overpayment is detailed in Attachment A. BLTCR will adjust your Medicaid rates for the relevant rate period to reflect the change in the direct component. The findings explanation, regulatory references, and applicable adjustment can be found in the attachments following Attachment A.

The Provider has the right to challenge this action and determination by requesting an administrative hearing within 60 days of the date of this notice. If the Provider 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, NY 12204

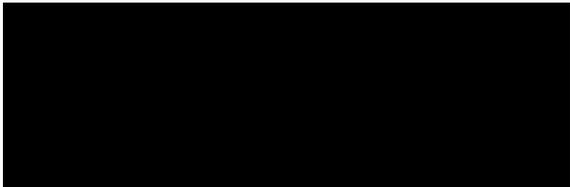
Questions regarding the request for a hearing should be directed to Office of Counsel, at ██████████.

In accordance with 18 NYCRR 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."

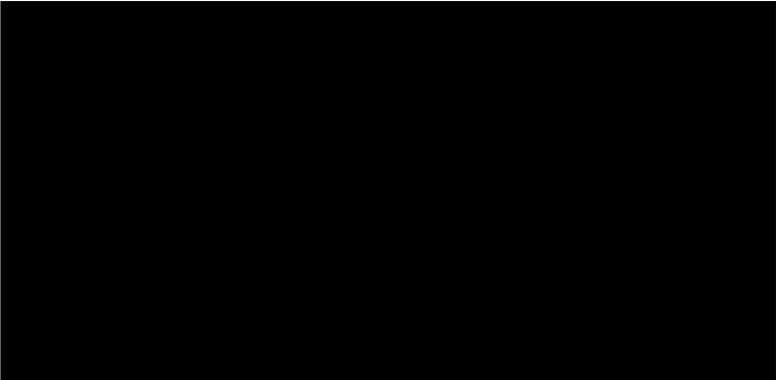
If a hearing is held, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply along with your hearing request a signed authorization permitting that person to represent you at the hearing; you may call witnesses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

For a full listing of hearing rights please see 18 NYCRR Part 519.

Should you have any questions regarding the above, please contact [REDACTED].



Division of Medicaid Audit
Office of the Medicaid Inspector General



OFFICE OF THE MEDICAID INSPECTOR GENERAL
MCAULEY RESIDENCE
AUDIT 13-4285
CALCULATION OF AUDIT IMPACT

RATE TYPE	DECREASED IN DIRECT COMPONENT OF RATE*	MEDICAID DAY	IMPACT
Part B Eligible/Part B D Eligible	\$2.16	11,730	\$25,336.80
Non-Medicare/Part D Eligible	\$2.19	0	\$0.00
Total			<u>\$25,336.80</u>

*Rounded to nearest 1/100th New York State Department of Health Bureau of Managed Long Term Care Rate Setting / FFS

OFFICE OF THE MEDICAID INSPECTOR GENERAL
MCAULEY RESIDENCE
AUDIT #13-4285
FINDINGS BY SAMPLE NUMBER

Sample #	[REDACTED]	Reported RUG	Derived RUG	Reported RUG Weight	Derived RUG Weight	DETAILED FINDINGS			
						DISALLOW PHYSICAL THERAPY	DISALLOW RESTORATIVE NURSING PROGRAMS	DISALLOW PAYER SOURCE	DISALLOW BMI ADD-ON
1	[REDACTED]	RLB	RLB	1.15	1.15				
2	[REDACTED]	RUC	NA	1.82	NA		1		
3	[REDACTED]	RMC	RMC	1.27	1.27				
4	[REDACTED]	PE2	PE2	0.80	0.80				
5	[REDACTED]	PE2	PE2	0.80	0.80	1			
6	[REDACTED]	RLA	RLA	0.91	0.91	1			
7	[REDACTED]	CC1	CC1	0.98	0.98				
8	[REDACTED]	RMC	RMC	1.27	1.27				
9	[REDACTED]	PE2	PE1	0.80	0.79		1		
10	[REDACTED]	PE1	PE1	0.79	0.79				
11	[REDACTED]	RHC	RHC	1.40	1.40				
12	[REDACTED]	RLB	RLB	1.15	1.15				1
13	[REDACTED]	RLB	RLB	1.15	1.15				
14	[REDACTED]	RLB	CB1	1.15	0.86	1			
15	[REDACTED]	SSC	SSC	1.12	1.12				

OFFICE OF THE MEDICAID INSPECTOR GENERAL
MCAULEY RESIDENCE
AUDIT #13-4285
FINDINGS BY SAMPLE NUMBER

Sample #	Reported RUG	Derived RUG	Reported RUG Weight	Derived RUG Weight	DETAILED FINDINGS			
					DISALLOW PHYSICAL THERAPY	DISALLOW RESTORATIVE NURSING PROGRAMS	DISALLOW PAYER SOURCE	DISALLOW BMI ADD-ON
16	SSA	SSA	1.03	1.03				
17	PC2	PC2	0.67	0.67				
TOTALS					1	3	1	1

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 MCAULEY RESIDENCE
 AUDIT #13-4285
 MDS DETAILED FINDINGS

MDS FINDINGS

SAMPLE SELECTION

Skilled Therapy

If the provider is unable to produce the supporting documentation for the patient, the service will be disallowed and the Case Mix will be adjusted. A repayment schedule will be developed.

The qualified therapist, in conjunction with the physician and nursing staff, is responsible for determining the necessity for and the frequency and duration of the therapy provided to residents. Rehabilitation (i.e., via Speech-Language Services, and Occupational and Physical Therapies) and respiratory, psychological, and recreational therapy helps the residents to attain or maintain their highest level of well-being and improve their quality of life. MDS 3.0 manual guidelines will be followed when reviewing the documentation provided by the facility.

42 CFR §483.20 (b) (xvii)
MDS 3.0 Manual O0400-0500

Physical Therapy

In 1 instance, documentation did not support an order for therapy. 14

Restorative Nursing Programs

In 3 instances, documentation did not support the number of days of therapy claimed during the look back period. 5, 6, 9

Payer Source

In 1 instance, documentation did not support Medicaid as primary payer. 2

10 NYCRR §86-2.40 (3)

BMI Add-on

In 1 instance, resident BMI is less than 35%. 12

10 NYCRR §86-2.40 (z)(2)

RUGS-II Classifications Overturned

In 3 instances, the RUG classifications were 2, 9, 14
overturned.

10 NYCRR §86-2.10, Volume A-2

OFFICE OF THE MEDICAID INSPECTOR GENERAL

MCAULEY RESIDENCE

Audit #: 13-4285

All OMIG disallowances were accepted by the Facility except for those shown below. The following details the disposition of the draft report disallowances after consideration of the Facility's draft audit report response comments.

Sample #14

Based on information and documentation provided by the facility, the following disallowance was not reversed and will be included in the Final Report:

Contested MDS Coding Issues: 00400C Physical Therapy.

Facility Comment: "Submitting additional documentation in objection to the determination with regard to Audit# 13-4285, Sample #14".

OMIG Response:

MDS Assessment Reference Date (ARD) is 07/25/2012.

The 7-day look back period is 07/19/2012 – 07/25/2012.

Physical Therapy: The MDS claims 3 days, 0045 minutes of Physical Therapy (PT) for the 7-day look back period.

Documentation submitted and reviewed:

- Physician's New Order – Order date 07/20/2012
- Physical Therapy Evaluation
- Physical Therapy Service Log (two pages)

A copy of the original document titled "Physician's New Order" that OMIG took during the onsite audit, had no signature or date in the "signature of ordering physician".

The same document titled "Physician's New Order" that the facility submitted has a signature and an illegible date in the "signature of ordering physician".

As a Standard of Practice, a Physician's order must be signed and legibly dated.

Documentation during the 7-day look back period does not support the MDS Manual ADL coding instructions for PT:

Services must be ordered by a physician (physician assistant, nurse practitioner, and/or clinical nurse specialist) based on a qualified therapist's assessment and treatment plan.

Disposition: The draft report finding is unchanged and will be included in the final report.