



NEW YORK STATE  
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF MONTEFIORE MEDICAL CENTER  
CLAIMS FOR LOW BIRTH WEIGHT NEWBORN SERVICES  
APRIL 1, 2012 – MAY 31, 2014

FINAL AUDIT REPORT  
AUDIT # 14-4552

James C. Cox  
Medicaid Inspector General

December 4, 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

December 4, 2014

[REDACTED]  
Montefiore Medical Center  
111 East 210<sup>th</sup> Street  
Bronx, New York 10467

Re: Final Audit Report  
Audit #: 14-4552  
Provider ID #: [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified a Medicaid fee for service claim for a low birth weight newborn that may have been improperly paid to Montefiore Medical Center (Provider) for a Medicaid recipient enrolled in a Medicaid Managed Care Organization (MCO). The New York State Medicaid Program pays MCOs a monthly capitation payment per enrollee based on the services included in the MCO's benefit package. The MCO in turn reimburses the network providers and/or subcontractors who render these services.

### BACKGROUND

The New York State Department of Health (the 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 ensuring 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, 14 and 18 of the NYCRR), the Department's Medicaid Provider Manuals, *Medicaid Update* publications and applicable contracts.

**Medicaid Fee-for-Service Overpayments Paid to the Provider in Managed Care Covered Services Cases**

- i. New York State Medicaid Program, Information for All Providers, General Policy Manual: (Version 2011-2): The Department may either conduct an on-site field audit of a person's records or it may conduct an in-house review utilizing data processing procedures. If overpayments are found, the Department will issue a draft audit report which will set forth any items to be disallowed and advise the person of the Department's proposed action. The person will then have 30 days to submit documents in response to the audit and/or object to any proposed action.
- ii. 18 NYCRR Section 518.1(b) and (c) – 18 NYCRR 518.1(b) states: "When the department has determined that any person has submitted or caused to be submitted claims for medical care, services or supplies for which payment should not have been made, it may require repayment of the amount determined to have been overpaid." 18 NYCRR 518.1(c) states: "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."
- iii. 18 NYCRR Section 518.3(a) states: "The department may require repayment from the person submitting an incorrect or improper claim, or the person causing such claim to be submitted or the person receiving payment for the claim."
- iv. DOH Medicaid Update (February 2012): Medicaid policy states: "Effective April 1, 2012, infants born on or after April 1, 2012, weighing less than 1,200 grams and infants under six months of age who are disabled will no longer be excluded from enrolling in a Medicaid managed care plan and will be enrolled in Medicaid managed care."

**PURPOSE AND SCOPE**

The purpose of this audit was to ensure Montefiore Medical Center's compliance with applicable laws, regulations, rules and policies governing the New York State Medicaid Program and to verify that:

- Montefiore Medical Center sought reimbursement from liable third parties;
- Claims for payment were submitted in accordance with applicable rules and requirements.

The period of review includes dates of service from April 1, 2012, through May 31, 2014. The review identified one instance where Montefiore Medical Center received a fee for service Medicaid payment (Rate Code 2946) while the low birth weight newborn was enrolled in managed care and the MCO received a supplemental low birth weight newborn capitation payment (Rate Code 2291); indicating the Provider was either eligible for or did receive a payment from the MCO related to the newborn's birth.

**FINDINGS**

A Draft Audit Report was issued October 2, 2014 identifying one claim totaling \$42,264.93 for a low birth weight newborn enrolled in Medicaid managed care. The provider agreed with the findings in the Draft Audit Report and 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 \$42,264.93.

### EFFECTIVE DATE

The OMIG, on behalf of the Department, is seeking to recover the amount due, \$42,264.93 from the Provider, effective 20 days from the date of this Final Audit Report.

### PAYMENT OPTIONS

In accordance with 18 NYCRR Part 518, which regulates the collection of overpayments, your repayment options are described below.

**OPTION #1:** Make a 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** and be sent with the attached Remittance Advice to:

[REDACTED]  
New York State Department of Health  
Medicaid Financial Management, B.A.M.  
GNARESP Corning Tower, Room 2739  
File # 14-4552  
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 Provider 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 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 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, 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 Provider may have a person represent the Provider or the Provider may represent itself. If the Provider chooses to be represented by someone other than an attorney, the Provider must supply, along with the Provider's hearing request, a signed authorization permitting that person to represent the Provider at the hearing; the Provider may call witnesses and present documentary evidence on the Provider's behalf.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid program, to take other administrative or legal action where appropriate, and recover any Medicaid overpayments through the initiation of a set-off or withholding of payments, a civil lawsuit, or any other lawful means.

Should you have any questions please contact or via e-mail at  
Thank you for your cooperation.

Sincerely,

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

Attachments (2)  
CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

**NEW YORK STATE  
OFFICE OF THE MEDICAID INSPECTOR GENERAL  
REMITTANCE ADVICE**

**NAME AND ADDRESS OF AUDITEE**

Montefiore Medical Center  
111 East 210<sup>th</sup> Street  
Bronx, New York 10467

**PROVIDER #** [REDACTED]

**AUDIT #** 14-4552

**PROVIDER TYPE**

- Fee For Service
- Rate - LTC
- Rate - NH
- Managed Care
- Other

**AMOUNT DUE:** \$42,264.93

**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 #14-4552  
Albany, New York 12237-0016

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

*Thank you for your cooperation.*