



Office of the  
Medicaid Inspector  
General

NEW YORK STATE  
DEPARTMENT OF HEALTH  
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF AMERIGROUP NEW YORK LLC MLTC  
RETROACTIVE DISENROLLMENTS  
FOR NOTIFICATIONS REPORTED TO OMIG  
OCTOBER 1, 2013 THROUGH NOVEMBER 16, 2015

FINAL AUDIT REPORT  
AUDIT #15-5779

Dennis Rosen  
Medicaid Inspector General

July 14, 2016

## TABLE OF CONTENTS

	<u>PAGE</u>
BACKGROUND	1
PURPOSE AND SCOPE	1
FINDINGS	2
EFFECTIVE DATE	2
PAYMENT OPTIONS	2-3
PROVIDER RIGHTS	3-4
REMITTANCE ADVICE	
ATTACHMENTS	
ATTACHMENT I – Provider Response	
ATTACHMENT II – Paid Appropriate	
ATTACHMENT III – Final Report Overpayments	



Office of the  
Medicaid Inspector  
General

ANDREW M. CUOMO  
Governor

DENNIS ROSEN  
Medicaid Inspector General

July 14, 2016

[REDACTED]  
Amerigroup New York LLC MLTC  
4425 Corporate Lane  
Virginia Beach, Virginia 23462

Re: Final Audit Report  
Audit # 15-5779  
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where the Amerigroup New York LLC MLTC (Plan) received monthly Medicaid capitation payments for enrollees who were retroactively disenrolled from the Plan. In accordance with the MLTC Partial Capitation Program 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 Final Audit Report represents the OMIG's final determination regarding capitation payments made on behalf of enrollees retroactively disenrolled from the Plan.

### **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 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 Medicaid capitation payment and subsequently the enrollee was retroactively disenrolled for the entire payment month. The scope of the audit includes all retroactive disenrollment capitation payments with notifications reported to OMIG from October 1, 2013 through November 16, 2015.

## FINDINGS

A Draft Audit Report was issued on February 4, 2016 identifying \$380,725.67 in overpaid capitation payments made to the Plan for enrollees who were retroactively disenrolled for the entire payment month. In the March 2, 2016 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 in the Draft Audit Report by \$8,731.32 (Attachment II).

In accordance with 18 NYCRR Parts 517 and 518 and the Contract Article VI, F(1) (Department Right to Recover Premiums), the Department has a right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined, for the entire applicable payment month, to have been incarcerated; to have moved out of the Plan's service area; or to have died. The Department has the right to recover premiums from the Plan in instances where the enrollee was inappropriately enrolled into the plan with a retroactive effective date, or when the enrollment period was retroactively deleted. The Department always has the right to recover duplicate premiums paid for persons enrolled under more than one Client Identification Number in the Plan whether or not the Plan has made payments to providers.

Pursuant to the Contract, Article VIII, P (OMIG Audit Authority), and in accordance with New York State Public Health Law Sections 30 through 36, and as authorized by federal or state laws and regulations, the OMIG may review and audit claims to determine compliance with federal and state laws and regulations and take such corrective actions as are authorized by federal or state laws and regulations.

In accordance with 18 NYCRR Section 518.4(a), interest may be collected on any overpayments identified in this audit. Per 18 NYCRR Section 518.4(e) interest may be waived. For this audit, the interest has been waived however it may not be waived on future retroactive disenrollment audits.

The total amount of overpayment, as defined in 18 NYCRR Section 518.1(c) is \$364,956.41, inclusive of rate adjustments totaling (\$7,037.94). Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$343,954.52. Therefore, \$21,001.89 is due the New York State Department of Health (Attachment III).

## EFFECTIVE DATE

The OMIG, on behalf of the Department, is seeking to recover the amount remaining due of \$21,001.89 from the Plan, 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 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:

[REDACTED]  
New York State Department of Health  
Medicaid Financial Management, B.A.M.  
GNARESP Corning Tower, Room 2739  
File # **15-5779**  
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  
Phone #: [REDACTED]  
Fax#: [REDACTED]

### **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 within sixty (60) days of the date of this notice 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 [REDACTED].

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

[REDACTED]

Page 4  
July 14, 2016

Should you have any questions, please contact [REDACTED]  
[REDACTED]. Thank you for your cooperation.

[REDACTED]

Division of Medicaid Audit  
Office of the Medicaid Inspector General

[REDACTED]

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

**PROVIDER ADDRESS**  
Amerigroup New York LLC MLTC  
4425 Corporate Lane  
Virginia Beach, Virginia 23462

**AMOUNT DUE: \$21,001.89**

**PROVIDER #:** [REDACTED]

**AUDIT # 15-5779**

**AUDIT  
TYPE**

PROVIDER  
 RATE-LTC  
 RATE-NH  
 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 # 15-5779  
Albany, New York 12237-0016
5. If the provider number shown above is incorrect, please enter the correct number below.