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

REVIEW OF WELLCARE OF NEW YORK, INC. IMPROPER CAPITATION PAYMENTS FOR CERTAIN MEDICAID RECIPIENTS IDENTIFIED BY OSC 2010-S-66

FINAL AUDIT REPORT
AUDIT #15-2010

Dennis Rosen
Acting Medicaid Inspector General

June 04, 2015

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NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Acting Medicaid Inspector General

June 04, 2015

[redacted]
WellCare of New York, Inc.
110 Fifth Avenue, 3rd Floor
New York, New York 10011

Re: Final Audit Report
Audit # 15-2010
Provider # [redacted]

Dear [redacted]:

The New York State Office of the Medicaid Inspector General (OMIG) has completed its review of claims identified by the Office of the State Comptroller (OSC) in report 2010-S-66, Improper Managed Care Payments for Certain Medicaid Recipients.

In their review, OSC instances where WellCare of New York, Inc. (Plan) received monthly Medicaid and/or Family Health Plus capitation payments for months subsequent to the enrollee's placement in foster care or placement in a residential treatment facility, state run facility, or Coler Goldwater facility.

In accordance with the Medicaid Managed Care and Family Health Plus/HIV Special Needs Plan Model Contract (Contract) and Section 517.5 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 placed in foster care or in a residential treatment facility, state run facility, or Coler Goldwater facility.

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 is to review and recover improper payments that were reported in the Office of the State Comptroller's Final Audit Report 2010-S-66, Improper Managed Care Payments for Certain Medicaid Recipients. The scope consists entirely of claims identified by OSC.

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, Section 3.6 (SDOH Right to Recover Premiums), and Appendix H, the OMIG, on behalf of the Department, has a right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to be ineligible for Managed Care for the entire payment month.

FINDINGS

A Draft Audit Report was issued on April 14, 2015 identifying $16,730.52 overpaid capitation payments made to the Plan and not subsequently returned to Medicaid when the enrollee was retroactively disenrolled from the Plan due to placement in foster care or placement in a residential treatment facility, state run facility, or Coler Goldwater facility. In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6 (SDOH 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. In its May 26, 2015 response to the Draft Audit Report (Attachment I), the Plan confirmed 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.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR 518.1(c), is $16,730.52. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of $16,730.52. Therefore, there is no balance 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 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 your participation in the Medicaid program, take action where appropriate, and recover any associated overpayments. Please contact at 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