



Office of the
Medicaid Inspector
General

THOMAS R. MEYER
Acting Medicaid Inspector General

Audit of Claims for Newborn Birth Services

Final Audit Report

Audit #: 12-5339

Flushing Hospital Medical Center

Provider ID #: [REDACTED]



**Office of the
Medicaid Inspector
General**

ANDREW M. CUOMO
Governor

THOMAS R. MEYER
Acting Medicaid Inspector General

March 19, 2015

[REDACTED]
Flushing Hospital Medical Center
111 Stewart Avenue
Hicksville, New York 11801

Re: Final Audit Report
Audit #: 12-5339
Provider ID #: [REDACTED]

Dear [REDACTED]:

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Flushing Hospital Medical Center (Provider).

In accordance with Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York Section 517.6, the attached Final Audit Report represents the final determination on the issues found during OMIG's audit.

After reviewing the Provider's responses to OMIG's December 20, 2012 Draft Audit Report, OMIG has reduced the overpayment identified in the Draft Audit Report from \$41,261.19 to \$17,166.42 in the Final Audit Report. A detailed explanation can be found in the Audit Findings section of this report.

If you have any questions or comments concerning this report, please contact [REDACTED] at [REDACTED] or through email at [REDACTED]. Please refer to audit number 12-5339 in all correspondence.

Sincerely,

[REDACTED]
Bureau of Rate Audit
Division of Medicaid Audit
Office of the Medicaid Inspector General

Attachments
Certified Mail # [REDACTED]
Return Receipt Requested

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Background, Objective, and Audit Scope

Background

The New York State Department of Health (DOH) is the single state agency responsible for the administration of the Medicaid program. As part of its responsibility as an independent entity within DOH, the Office of the Medicaid Inspector General (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 DOH (Titles 10 and 18 of the New York Codes Rules and Regulations), the regulations of the Office of Mental Hygiene (Title 14 of the New York Codes Rules and Regulations), DOH's Medicaid Provider Manuals and *Medicaid Update* publications.

An infant whose mother is in receipt of Medicaid at the time of the infant's birth is entitled to Medicaid for the first 12 months from their date of birth. If a mother is enrolled in a managed care plan, the newborn becomes a member of that same plan, and the hospital is required to bill the plan directly for costs associated with the newborn's birth using the newborn's client identification number. Exceptions to this billing routine occur when the newborn weighs less than 1200 grams, is determined eligible for the SSI related category, or the mother is enrolled in certain special needs or a partial capitation plan. Section 3.9 of the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract) also provides for a supplemental newborn capitation payment be made to a Managed Care Organization (Plan) after the Plan makes payment to the hospital for the birth/delivery.

Objective

The objective of this audit was to assess the Flushing Hospital Medical Center's (Provider) adherence to applicable laws, regulations, rules, and policies governing the New York State Medicaid program and to verify that:

- the Provider sought reimbursement from liable third parties; and
- claims for payment were submitted in accordance with applicable rules and requirements.

Audit Scope

An audit of newborn birth payment claims paid to the Provider by Medicaid for service dates included in the period beginning January 1, 2007 and ending December 31, 2010 was completed. The audit identified instances where both, the Provider received a fee-for-service Medicaid payment while the newborn was enrolled in managed care and the Plan received a supplemental newborn capitation payment; indicating the hospital was either eligible for or did receive a payment from the Plan related to the newborn's birth.

Audit Findings

OMIG issued a Draft Audit Report to the Provider on December 20, 2012 that identified \$41,261.19 in Medicaid overpayments due to the Provider billing Medicaid for birth services rendered to newborns during a period when the newborn was enrolled in managed care and should have been billed to their Plan; a violation of §540.6 requirements. The Provider's written responses (Attachment I) to the Draft Audit Report contested two claims (Attachment II). After reviewing the Provider's response to the Draft Audit Report, OMIG has removed the two claims from the Final Audit Report. As a result, OMIG has reduced the overpayment identified in the Draft Audit Report by \$14,076.02; from \$41,261.19 to \$27,185.17.

The Provider agreed with the remaining eight disallowed claims identified in the Draft Audit Report. OMIG has determined that the Provider is entitled to GME payments of \$10,018.75 related to eight of the disallowed claims and has reduced the total overpayment in the Final Audit Report by \$10,018.75; from \$27,185.17 to \$17,166.42. Pursuant to 18 NYCRR Parts 517 and 518, OMIG, on behalf of DOH, may recover such overpayments.

In accordance with 18 NYCRR Section 518.4, interest may be collected on any overpayments identified in this audit and will accrue at the current rate from the date of the overpayment. Interest was calculated on the overpayments identified in this Final Audit Report using the Federal Reserve Prime Rate from the date of each overpayment through the date of the Draft Audit Report, December 20, 2012. For the net overpayments identified in this audit, OMIG has determined that accrued interest of \$2,611.69 (Attachment III) is now owed.

Based on this determination, the total proposed amount due to DOH, as defined in 18 NYCRR Section 518.1, is \$19,778.11 (Attachment III), inclusive of interest.

Repayment 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 this Final Audit Report. The check should be made payable to the **New York State Department of Health** with the audit number included, and be sent with the attached remittance advice to:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Albany, New York 12237

Option #2: Enter into a repayment agreement with OMIG. If your repayment terms exceed 90 days from the date of this Final Audit Report, recoveries of amounts due are subject to interest charges at the Prime Rate plus two percent (2%). If the process of establishing the repayment agreement exceeds 20 days from the date of the final audit report, OMIG will impose a 50% withhold after 20 days until an agreement is established. OMIG acceptance of the repayment agreement is based on your repaying the Medicaid overpayment as agreed. 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 New York 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:

New York State
Office of the Medicaid Inspector General
Bureau of Collections Management
800 North Pearl Street
Albany, New York 12204
Phone #: [REDACTED]
Fax #: [REDACTED]

Hearing Rights

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. 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 within 60 days of the date of this notice to:

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

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

At the hearing you have the right to:

- a) Be represented by an attorney or other representative, or to represent yourself;
- b) Present witnesses and written and/or oral evidence to explain why the action taken is wrong;
- c) Cross examine witnesses of DOH and/or OMIG; and
- d) Have an interpreter if you do not speak English or are deaf.

Contact Information

[REDACTED], Audit Supervisor
[REDACTED]

Office Address:

New York State
Office of the Medicaid Inspector General
Division of Medicaid Audit
800 North Pearl Street
Albany, New York 12204

Mission

The mission of the Office of the Medicaid Inspector General is to enhance the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive, and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds while promoting high quality patient care.

Vision

To be the national leader in promoting and protecting the integrity of the Medicaid program.



Office of the
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General

REMITTANCE ADVICE

Flushing Hospital Medical Center
111 Stewart Avenue
Hicksville, New York 11801

Provider ID #: [REDACTED], [REDACTED]

Audit #: 12-5339

Amount Due: \$19,778.11

Audit
Type

- Managed Care
 Fee-for-Service
 Rate

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 the check to:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #12-5339
Albany, New York 12237