



**Office of the  
Medicaid Inspector  
General**

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

**REVIEW OF AMERIGROUP NEW YORK, LLC  
SUPPLEMENTAL MATERNITY AND NEWBORN CAPITATION  
PAYMENTS ON BEHALF OF ENROLLEES WITHOUT  
CORRESPONDING ENCOUNTER DATA  
JANUARY 1, 2013 – DECEMBER 31, 2014**

**FINAL AUDIT REPORT  
AUDIT # 15-5963**

**Dennis Rosen  
Medicaid Inspector General**

**May 24, 2016**

## TABLE OF CONTENTS

	<u>PAGE</u>
BACKGROUND	1
PURPOSE AND SCOPE	2
FINDINGS	2
PROVIDER RIGHTS	2-3
ATTACHMENTS	
ATTACHMENT I – Provider Response	
ATTACHMENT II – Paid Appropriate	



Office of the  
Medicaid Inspector  
General

ANDREW M. CUOMO  
Governor

DENNIS ROSEN  
Medicaid Inspector General

May 24, 2016

[REDACTED]

Amerigroup Corporation  
4425 Corporation Lane  
Virginia Beach, Virginia 23462

Re: Final Audit Report  
Audit #: 15-5963  
Provider ID #: [REDACTED]

Dear [REDACTED]:

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid and Family Health Plus supplemental newborn or maternity capitation payments made to Amerigroup New York LLC (Plan) where there was no corresponding hospital birth or delivery encounter data submitted. In accordance with Section 517.6 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (18 NYCRR), this report represents the final determination on the issues found during the OMIG's review.

### **BACKGROUND**

The New York State Department of Health (Department) is 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 Medicaid Managed Care and/or Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

### **PURPOSE AND SCOPE**

The purpose of the audit was to identify instances where the Plan received a supplemental newborn and/or maternity capitation payment from Medicaid where no corresponding encounter data was reported by the Plan for the services. The audit identified instances where the Plan failed to maintain and provide documentation to support the billing of supplemental newborn and maternity capitation payments. The scope of the audit included supplemental newborn and maternity capitation payments with dates of services from January 1, 2013 through December 31, 2014.

Sections 3.9 and 3.10 of the Contract provide for a supplemental newborn or maternity capitation payment to a managed care organization (MCO) where applicable. The MCO must first make payment to the hospital for the birth or delivery before billing Medicaid for the supplemental payment, and maintain on file evidence of the payment. Section 18.5 (a) (iv) of the Contract, *Reporting Requirements for Encounter Data*, also requires the MCO to prepare and submit encounter data on a monthly basis to the Department. Pursuant to 3.9(d) and 3.10(f) of the Contract, "Failure to have supporting records may, upon audit, result in recoupment of the supplemental maternity or newborn capitation payment by the Department."

### **FINDINGS**

A Draft Audit Report was issued January 19, 2016, identifying \$228,534.90 for inappropriately billed claims for supplemental newborn capitation payments wherein the Plan failed to submit encounter data. After reviewing the Plan's response to the Draft Audit Report (Attachment I), OMIG has determined that for the period and scope reviewed, Amerigroup New York LLC generally adhered to applicable Medicaid billing rules and regulations (Attachment II). The OMIG has concluded that no further action is required pertaining to this audit.

### **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].

[REDACTED]

Page 3  
May 24, 2016

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 [REDACTED] if you have any questions regarding the above. Thank you for your cooperation.

[REDACTED]

Division of Medicaid Audit  
Office of the Medicaid Inspector General

[REDACTED]

[REDACTED]