



**Office of the
Medicaid Inspector
General**

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

**REVIEW OF HEALTHFIRST PHSP, INC.
RETROACTIVE DISENROLLMENTS
FOR NOTIFICATIONS REPORTED TO OMIG
OCTOBER 1, 2013 THROUGH NOVEMBER 16, 2015**

**FINAL AUDIT REPORT
AUDIT #15-6683**

**Dennis Rosen
Medicaid Inspector General**

May 12, 2016

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Office of the
Medicaid Inspector
General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

May 12, 2016

[REDACTED]
HealthFirst PHSP, Inc.
100 Church Street
New York, New York 10007

Re: Final Audit Report
Audit # 15-6683
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where HealthFirst PHSP, Inc. (Plan) received Medicaid capitation payments for enrollees who were retroactively disenrolled from the Plan. In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan 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 report represents the final determination regarding capitation payments made on behalf of enrollees retroactively disenrolled from the Plan.

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 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 capitation payment from Medicaid 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 \$4,815,937.24 in overpaid capitation payments made to the Plan for enrollees who were retroactively disenrolled for the entire payment month. It was discovered that one claim totaling \$1,210.68 was voided prior to the issuance of the Draft Audit Report (Attachment II). In the March 18, 2016 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.

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, Section 3.6 (Compensation – SDOH Right to Recover Premiums), Appendix H and Section 19.7 (OMIG Audit Authority), the OMIG, on behalf of the Department, has a right to recover premiums (“capitation payments”) paid to the Plan for enrollees listed on the monthly Roster who are later determined, for the entire applicable month, to have been in an institution; to have been incarcerated; to have moved out of the Plan’s service area; to have died; is simultaneously in receipt of comprehensive health care coverage from a managed care organization (MCO) and is enrolled in the Medicaid managed care product of the same MCO; or has been enrolled without consent. Prior to April 1, 2012, the Department has the right to recover capitation payments paid for infants weighing less than 1200 grams at birth and other infants under 6 months of age who meet the criteria for the SSI or SSI related category. The Department always has the right to recover duplicate capitation payments made under more than one Client Identification Number whether or not the Plan has made payments to providers.

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 \$4,814,726.56. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$4,814,726.56. Therefore, no balance is due the New York State Department of Health (Attachment III).

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.”

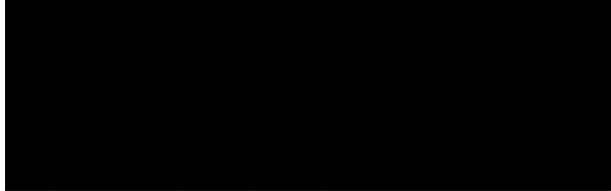
If the Plan wishes to request a hearing, the request must be submitted in writing within sixty (60) days of the date of this notice to:

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.

Should you have any questions, or to obtain the password for the enclosed disk, please contact [REDACTED] Thank you for your cooperation.



Division of Medicaid Audit
Office of the Medicaid Inspector General

