NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF NEIGHBORHOOD HEALTH PROVIDERS, INC. MANAGED CARE CROSSOVER WITH A RESIDENTIAL TREATMENT FACILITY OR A STATE RUN FACILITY JANUARY 1, 2013 THROUGH DECEMBER 31, 2014

FINAL AUDIT REPORT
AUDIT #16-1666

Dennis Rosen
Medicaid Inspector General

May 19, 2016

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ATTACHMENTS

ATTACHMENT I – Provider Response
ATTACHMENT II – Final Report Overpayments

NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

May 19, 2016

[redacted]
Neighborhood Health Providers, Inc.
100 Church Street, 18th Floor
New York, New York 10007

Re: Final Audit Report
Audit # 16-1666
Provider # [redacted]

Dear [redacted]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where Neighborhood Health Providers, Inc. (Plan) received monthly Medicaid and/or Family Health Plus capitation payments that were determined to be overpayments and recoverable based on the enrollee's inpatient or residential status in one of the following types of facilities: a Residential Treatment Facility or a State Run Facility. In accordance with the Medicaid Managed Care and 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 Final Audit Report represents the OMIG's final determination regarding capitation payments made on behalf of enrollees who were receiving care in a Residential Treatment Facility or a State Run 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 of Health (Titles 10 and 18 of the NYCRR), the regulations of the Office of Mental Health (Title 14 of the NYCRR), 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 monthly capitation payment from Medicaid for an enrollee who at the time was receiving all paid medical care for the entire month in a Residential Treatment Facility or a State Run Facility. When an enrollee has entered or stayed in a long-term hospital or a residential facility and the Plan is not at risk for medical services, the enrollee must be disenrolled retroactively and the capitation payments returned to Medicaid. The scope of the audit period is from January 1, 2013 through December 31, 2014.

In accordance with 18 NYCRR Parts 517 and 518, and pursuant to the Contract, Section 3.6 (SDOH Right to Recover Premiums), Section 19.7 (OMIG Audit Authority) 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 have been ineligible for the entire applicable payment month.

FINDINGS

A Draft Audit Report was issued on April 7, 2016, identifying $42,067.81 that was inappropriately paid to the Plan when the Plan received monthly capitation payments for enrollees who were receiving medical care in a Residential Treatment Facility or a State Run Facility. Pursuant to Section 3.6 of the Contract and 18 NYCRR Parts 517 and 518, the OMIG, on behalf of the Department, may recover such overpayments paid to the Plan for members listed on the monthly roster who are later determined to have been ineligible for the entire applicable payment month. In its May 10, 2016 response (Attachment I) to the Draft Audit Report, 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 identified in this Final Audit Report, as defined in 18 NYCRR 518.1, is $42,067.81 (Attachment II). Repayment of $42,067.81 is due the New York State Department of Health.

EFFECTIVE DATE

The OMIG, on behalf of the Department, is seeking to recover the amount remaining due of $42,067.81 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 # 16-1666
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's 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 #:
Fax#:

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 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 a 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.

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

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

Sincerely,

Division of Medicaid Audit
Office of the Medicaid Inspector General

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

ADDRESS OF AUDITEE

Neighborhood Health Providers, Inc.
100 Church Street, 18th Floor
New York, New York 10007

AMOUNT DUE: $42,067.81

PROVIDER #: [redacted]

AUDIT # 16-1666

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 # 16-1666
Albany, New York 12237-0016

5. If the provider number shown above is incorrect, please enter the correct number below.

Thank you for your cooperation.