NEW YORK STATE | Office of the Medicaid Inspector General

DENNIS ROSEN
Medicaid Inspector General

Audit of Claims for Medicaid Overpayments for Transfer Patients Among Merged Hospitals Paid From March 1, 2010 to April 30, 2014

Final Audit Report
Audit #: 2016Z77-007A

Bronx Lebanon Hospital Center

Provider ID #: [redacted]
NPI #: [redacted]

NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

May 13, 2016

[redacted]
Bronx Lebanon Hospital Center
1650 Grand Concourse
Bronx, New York 10457-7606

Final Audit Report
Audit #: 2016Z77-007A
Provider ID #: [redacted]

Dear [redacted]:

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Bronx Lebanon Hospital 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 your response to the OMIG's February 11, 2016 Draft Audit Report, the OMIG reduced the Draft Audit Report overpayments of $10,722.44 to $6,891.29 in the Final Report. A detailed explanation of the revision is included in the Final Report.

Based on this determination, restitution of the overpayments as defined in 18 NYCRR 518.1 is required in the amount of $6,891.29, inclusive of interest. Since you made partial restitution with the submission of voids and adjustments subsequent to the date of the Draft Audit Report totaling $6,437.94, a balance of $453.35 is now due.

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 2016Z77-007A in all correspondence.

Sincerely,

[redacted]
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.

Based on OSC Audit 2014-S-18, "Medicaid Overpayments for Inpatient Transfer Claims Among Merged or Consolidated Facilities", the purpose of this audit is to recoup overpayments for claims which were paid by Medicaid when patients were transferred among merged facilities. To accomplish this, all services paid between March 1, 2010 and April 30, 2014 were reviewed.

Objective

The objective of this audit was to assess the Provider's adherence to applicable laws, regulations, rules, and policies governing the New York State Medicaid program and to:

- recover Medicaid overpayments for Transfer Patients Among Merged Hospitals.

Audit Scope

An audit of Medicaid Claims for Transfer Patients Among Merged Hospitals for payment dates included in the period beginning March 1, 2010 and ending April 30, 2014 was performed.

Please note that due to the implementation of the National Provider Identifier (NPI) on September 1, 2008, there may be multiple Provider Identification Numbers associated with the Primary Provider Identification Number. The NPI is linked to the Primary Provider Identification Number. The Primary Provider Identification Number is used for correspondence and recoupment.

Audit Findings

OMIG has completed its audit of Medicaid Claims for Transfer Patients Among Merged Hospitals for payment dates included in the period beginning March 1, 2010 and ending April 30, 2014.

OMIG identified the following findings:

1. **Medicaid Claims for Transfer Patients Among Merged Hospitals**

   Regulations state: "By enrolling the provider agrees: (e) to submit claims for payment only for services actually furnished and which were medically necessary or otherwise authorized under the Social Services Law when furnished and which were provided to eligible persons (h) that the information provided in relation to any claim for payment shall be true, accurate, and complete; and (i) to comply with the rules, regulations and official directives of the department."

   18 NYCRR 504.3

   Regulation 18 NYCRR 518.(c) defines "overpayment" as "any amount not authorized to be paid under the medical assistance program, whether paid as a result of ...improper claiming, unacceptable practices, fraud, abuse or mistake" and provides for the recovery by OMIG of these overpayments."

   18 NYCRR 518.1(c)

   Regulations state: "The department may require repayment from the person submitting an incorrect or improper claim, or the person causing such claim to be submitted, or the person receiving payment for the claim."

   18 NYCRR 518.3(a)

   Regulations state: "Persons furnishing, or supervising the furnishing of, medical care, services or supplies are jointly and severally liable for any overpayments resulting from the furnishing of the care, services or supplies."

   18 NYCRR 518.3(c)

   Regulations state: "A transfer patient...is not transferred among two or more divisions of merged or consolidated facilities..."

   10 NYCRR 86-1.15(m)

   Regulations state: "...hospitals or divisions that are part of a merged or consolidated facility shall be reimbursed as if the hospital that first admitted the patient had also discharged the patient."

   10 NYCRR 86-1.21(b)(3)

   Regulations state: "payments for hospitals subject to a merger, acquisition, or consolidation for inpatient acute care services...will be effective on the date the transaction is effected..."

   10 NYCRR 86-1.31(a)

As a result of this finding, OMIG has determined that $6,437.94 (Attachment 1) was inappropriately billed to Medicaid, resulting in Medicaid overpayments.

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 from the date of each overpayment through the date of the Draft Audit Report, February 11, 2016 using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest of $453.35 (Attachment 1) is now owed.

Based on this determination, the total amount due to DOH, as defined in 18 NYCRR Section 518.1, is $6,891.29 (Attachment 1), 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
File #: 2016Z77-007A
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 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 Provider 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
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 the DOH and/or OMIG; and
d) Have an interpreter if you do not speak English or are deaf.

Contact Information

Office Address:

New York State
Office of the Medicaid Inspector General
Division of Systems Utilization and Review
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.

NEW YORK STATE | Office of the Medicaid Inspector General

REMITTANCE ADVICE

Bronx Lebanon Hospital Center
1650 Grand Concourse
Bronx, New York 10457-7606

Provider ID #: [redacted]

Audit #: 2016Z77-007A

Audit Type
- ☐ **Managed Care**
- ☒ **Fee-for-Service**
- ☐ **Rate**

Amount Due: $453.35

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 #: 2016Z77-007A
Albany, New York 12237