



STATE OF NEW YORK  
OFFICE OF THE MEDICAID INSPECTOR GENERAL  
800 North Pearl Street  
Albany, New York 12204

ANDREW M. CUOMO  
GOVERNOR

JAMES C. COX  
MEDICAID INSPECTOR GENERAL

November 14, 2014

[REDACTED]  
Saratoga County Maplewood Manor  
149 Ballston Avenue  
Ballston Spa, New York 12020

Re: Medicaid Rate Audit #12-3611  
NPI Number: [REDACTED]  
Provider Number: [REDACTED]

Dear [REDACTED]

Enclosed is the final audit report of the Office of the Medicaid Inspector General's (the "OMIG") audit of Saratoga County Maplewood Manor's (the "Facility") Medicaid rates for the rate period January 1, 2007 through December 31, 2008. In accordance with 18 NYCRR Section 517.6, this audit report represents the OMIG's final determination on issues raised in the draft audit report.

In response to the draft audit report dated June 3, 2014, you identified specific audit findings with which you disagreed. Your comments have been considered (see Attachment A); however, consideration of your comments resulted in no reduction to the Medicaid overpayment shown in the draft audit report. As previously stated in the draft audit report, the Medicare Part B and D offsets were not within the scope of the review and may be examined as part of a future audit. Based on the enclosed audited rates calculated by the Bureau of Long Term Care Reimbursement, the Medicaid overpayment currently due is \$61,282. This overpayment is subject to Department of Health ("DOH") and Division of Budget ("DOB") final approval. While not anticipated, any difference between the calculated overpayment and the final DOH and DOB approved amount will be resolved with the Facility by the OMIG Bureau of Collections Management.

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 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 #12-3611  
Albany, New York 12237-0048

**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 an agreement is established. OMIG 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

[REDACTED]

You have the right to challenge this action and determination by requesting an administrative hearing within sixty (60) days of the date of this notice. You may not request a hearing to raise issues related to rate setting or rate setting methodology. In addition, you may not raise any issue that was raised or could have been raised at a rate appeal with your rate setting agency. You may only request a hearing to challenge specific audit adjustments which you challenged in a response to the draft audit report.

If you wish to request a hearing, the request must be submitted in writing 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, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply a signed authorization permitting that person to represent you along with your hearing request. At the hearing, you may call witnesses and present documentary evidence on your behalf.

Should you have any questions, please contact [REDACTED] or through email at [REDACTED]. Please refer to audit number 12-3611 in all correspondence.

Sincerely,

[REDACTED]

Bureau of Rate Audit  
Division of Medicaid Audit  
Office of the Medicaid Inspector General

Enclosures:

- Attachment A - Facility Draft Audit Report Comments and OMIG Response
- EXHIBIT I - Summary of Per Diem Impact and Medicaid Overpayment
- EXHIBIT II - Summary of Medicaid Rates Audited
- EXHIBIT III - Property Expense Disallowances/(Allowances)

CERTIFIED MAIL [REDACTED]  
RETURN RECEIPT REQUESTED

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

**NAME AND ADDRESS OF AUDITEE**

Saratoga County Maplewood Manor  
149 Ballston Avenue  
Ballston Spa, New York 12020

NPI #: [REDACTED]  
PROVIDER #: [REDACTED]

AUDIT #12-3611

AMOUNT DUE: \$61,282

AUDIT TYPE	<input type="checkbox"/> PROVIDER
	<input checked="" type="checkbox"/> RATE
	<input type="checkbox"/> PART B
	<input type="checkbox"/> OTHER:

**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  
GNARESP Corning Tower, Room 2739  
File #12-3611  
Albany, New York 12237-0048

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

**CORRECT PROVIDER NUMBER**

**SARATOGA COUNTY MAPLEWOOD MANOR - AUDIT #12-3611**  
**RATE PERIODS JANUARY 1, 2007 THROUGH DECEMBER 31, 2008**  
**SUMMARY OF PER DIEM IMPACT AND MEDICAID OVERPAYMENT**

<u>RATE PERIOD</u>	<u>ISSUED PART B &amp; D NON-ELIGIBLE RATES*</u>	<u>FINAL PART B &amp; D NON-ELIGIBLE RATES</u>	<u>RATE DECREASE (INCREASE)</u>	<u>MEDICAID DAYS</u>	<u>MEDICAID OVERPAYMENT</u>
01/01/07 - 03/31/07	\$149.54	\$149.00	\$0.54	19,624	\$ 10,597
04/01/07 - 08/31/07	148.71	148.17	0.54	33,112	17,880
09/01/07 - 12/31/07	148.71	148.17	0.54	27,215	14,696
01/01/08 - 03/31/08	153.22	153.00	0.22	20,032	4,407
04/01/08 - 12/31/08	152.16	151.94	0.22	62,282	<u>13,702</u>
<b>TOTAL MEDICAID OVERPAYMENT</b>					<b><u>\$ 61,282</u></b>

\* Any differences between these rates and the rates listed in Exhibit II of this audit report represent rate changes made subsequent to OMIG's audit. These changes remain open to future audit by the OMIG. For the purpose of this Exhibit, the Medicare Part B and D rates are not shown. The rate decrease/(increase) for those rates is the same as shown for the Medicare Part B and D non-eligible rates above.

**SARATOGA COUNTY MAPLEWOOD MANOR - AUDIT #12-3611**  
**RATE PERIODS JANUARY 1, 2007 THROUGH DECEMBER 31, 2008**  
**SUMMARY OF MEDICAID RATES AUDITED**

The Facility's Medicaid utilization was approximately 79 percent for the period under audit and the Medicaid per diem rates audited are shown below. Any differences between these rates and the "Issued Rates" listed in Exhibit I of this audit report represent rate changes made subsequent to our audit. These changes remain open to future audit by the OMIG.

<b><u>RATE PERIOD</u></b>	<b><u>ISSUED MEDICARE PART B &amp; D NON-ELIGIBLE RATES *</u></b>
01/01/07 - 03/31/07	\$ 149.54
04/01/07 - 08/31/07	148.71
09/01/07 - 12/31/07	148.71
01/01/08 - 03/31/08	153.22
04/01/08 - 12/31/08	152.16

\* The Medicare Part B and D rates are not shown for the purpose of this Exhibit. The Medicare Part B and D offsets were not within the scope of this audit and may be examined as part of a future audit.

**SARATOGA COUNTY MAPLEWOOD MANOR - AUDIT #12-3611**  
**RATE PERIODS JANUARY 1, 2007 THROUGH DECEMBER 31, 2008**  
**PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)**

	<u>DESCRIPTION</u>	<u>COST</u> <u>CTR.</u>	<u>DISALLOWED</u> <u>(ALLOWED)</u>	<u>TRACE-</u> <u>BACK %</u>	<u>RATE PERIODS</u>			
					<u>2007</u>	<u>2008</u>		
<b>Property Expense Allowed per HE-12B</b>					\$	610,894	\$	568,983
<b>Less Disallowances/(Allowances):</b>								
<b>1. TELEPHONE EXPENSE DISALLOWANCES</b>								
The Bureau of Long Term Care Reimbursement has determined the nature of telephone expense to be an operating expense. Since the expense is included in the formula to determine the base, mean, and ceiling prices used to establish the indirect expense corridor, the reimbursement of telephone depreciation expense in the property component amounts to duplicate reimbursement. Consequently, disallowances were necessary.								
<b>Regulation: 10 NYCRR Section 86-2.17(d)</b>								
	Bldg. Depr.	001	\$3,090	99.47%	3,074			
	Bldg. Depr.	001	3,090	99.47%			3,074	
<b>2. INTEREST EXPENSE DISALLOWANCES</b>								
According to the Bureau of Long Term Reimbursement capital cost methodology, real property capital lease interest expense is reimbursed on a rate year basis. Audited rate year interest expense varied from the interest expense allowed in the promulgated rates. Additionally, the review disclosed that the overmortgaging percentage was not applied in the promulgated rates. Consequently, disallowances were necessary.								
<b>Regulations: 10 NYCRR Sections 86-2.17(a) &amp; 86-2.20(a), PRM-1 Sections 2300 &amp; 2400</b>								
	Mortg. Int.	003	42,802	99.47%	42,575			
	Mortg. Int.	003	8,578	99.47%			8,533	
<b>3. EQUIPMENT RENTAL EXPENSE DISALLOWANCES</b>								
a) The Facility reported and was reimbursed oxygen as rent expense in the property component of the rate. Oxygen is a direct component operating expense. Consequently, these expenses were disallowed from the capital component of the rate.								
<b>Regulations: 10 NYCRR Sections 86-2.10, 455.35 &amp; 458.5</b>								
	Rent C	043	5,065	100.00%	5,065			
	Rent C	043	9,964	100.00%			9,964	
b) Rental expenses associated with maintenance agreements are considered operating expenses and should not be included in the capital component of the rate. Consequently, copier maintenance costs such as extra copies and maintenance fees were disallowed.								
<b>Regulations: 10 NYCRR Sections 86-2.10 , 86-2.17(a), &amp; 451.181, PRM-1 Section 2806.2</b>								
	Rent B	005	2,236	99.95%	2,235			
	Rent B	005	1,274	99.95%			1,273	

**SARATOGA COUNTY MAPLEWOOD MANOR - AUDIT #12-3611**  
**RATE PERIODS JANUARY 1, 2007 THROUGH DECEMBER 31, 2008**  
**PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)**

	<u>DESCRIPTION</u>	<u>COST</u> <u>CTR.</u>	<u>DISALLOWED</u> <u>(ALLOWED)</u>	<u>TRACE-</u> <u>BACK %</u>	<u>RATE PERIODS</u>	
					<u>2007</u>	<u>2008</u>
<b>4. AUTO INSURANCE EXPENSE ALLOWANCES</b>						
Providers receiving payments on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Audited insurance varied from the insurance expense allowed in the rate resulting in allowances.	Auto Ins.	014	(303)	100.00%	(303)	
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Sections 2300 & 2304	Auto Ins.	014	(391)	100.00%		(391)
<b>Property Expense Disallowances/(Allowances)</b>					\$ 52,646	\$ 22,453
<b>TOTAL AUDITED PROPERTY EXPENSE</b>					<b>\$ 558,248</b>	<b>\$ 546,530</b>