



STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
445 Hamilton Avenue, Suite 506
White Plains, New York 10601

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

November 25, 2014

[REDACTED]
Laconia Nursing Home, Inc.
1050 East 230th Street
Bronx, New York 10466

Re: Medicaid Rate Audit #13-2478
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 Laconia Nursing Home, Inc.'s (the "Facility") Medicaid rates for the rate period January 1, 2008 through December 31, 2008. In accordance with 18 NYCRR Section 517.6, this report represents the OMIG's final determination on issues raised in the draft audit report.

Since you did not respond to our draft audit report dated August 13, 2014, the findings in the final audit report remain identical to 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 \$49,990. 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 #13-2478
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

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 13-2478 in all correspondence.

Sincerely,

[REDACTED]
Bureau of Rate Audit
Division of Medicaid Audit
Office of the Medicaid Inspector General

Enclosure:

- 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

LACONIA NURSING HOME, INC.
1050 EAST 230th STREET
BRONX, NEW YORK 10466

NPI #: [REDACTED]

PROVIDER #: [REDACTED]

AUDIT #13-2478

AMOUNT DUE: \$49,990

AUDIT
TYPE

[] PROVIDER
[X] RATE
[] PART B
[] 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 #13-2478
Albany, New York 12237-0048

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

CORRECT PROVIDER NUMBER

LACONIA NURSING HOME - AUDIT #13-2478
RATE PERIODS JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
SUMMARY OF PER DIEM IMPACT AND MEDICAID OVERPAYMENT

<u>RATE PERIOD</u>	<u>ISSUED PART B & D NON-ELIGIBLE RATES*</u>	<u>FINAL PART B & D NON-ELIGIBLE RATES</u>	<u>RATE DECREASE (INCREASE)</u>	<u>MEDICAID DAYS</u>	<u>MEDICAID OVERPAYMENT</u>
01/01/08 - 03/31/08	\$196.21	\$195.56	\$0.65	19,467	\$ 12,654
04/01/08 - 06/30/08	192.86	192.21	0.65	19,035	12,373
07/01/08 - 12/31/08	199.93	199.28	0.65	38,404	<u>24,963</u>
TOTAL MEDICAID OVERPAYMENT					<u>\$ 49,990</u>

* 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.

LACONIA NURSING HOME - AUDIT #13-2478
RATE PERIODS JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
SUMMARY OF MEDICAID RATES AUDITED

The Facility's Medicaid utilization was approximately 91 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.

<u>RATE PERIOD</u>	<u>ISSUED MEDICARE PART B & D NON-ELIGIBLE RATES *</u>
01/01/08 - 03/31/08	\$ 196.21
04/01/08 - 06/30/08	192.86
07/01/08 - 12/31/08	199.93

* 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.

LACONIA NURSING HOME - AUDIT #13-2478
RATE PERIODS JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

PROPERTY EXPENSE ALLOWED PER HE-12B	<u>DESCRIPTION</u>	<u>COST</u>	<u>RATE PERIOD</u>
Less Disallowances/(Allowances):		<u>CTR.</u>	<u>2008</u>
			<u>\$ 992,296</u>
1. AUTOMOBILE EXPENSE DISALLOWANCES			
The Facility did not provide sufficient documentation establishing the relationship of reported automobile expenses to patient care. Facilities are required to provide adequate cost data that can be verified on audit. The cost information must be current, accurate, and in sufficient detail. Consequently, the automobile expenses were disallowed.	Auto Ins.	004	16,766
Regulations: 10 NYCRR Sections 86-2.7, 86-2.17(a) & (d), PRM-1 Sections 2102.3, 2105.9, 2300, & 2304	Rent C	022	25,102
2. PROPERTY INSURANCE EXPENSE DISALLOWANCE			
The Facility included an insurance premium for business income insurance. Business income insurance does not relate to the loss of or damage to the Facility's physical property and consequently is only includable in the operating component of the rate. Since this insurance premium is not allowable as a property insurance cost, it was disallowed.	Prop Ins.	005	13,527
Regulations: 10 NYCRR Sections 86-2.10(g) & 86-2.17(a) & (d), PRM-1 Sections 2161 & 2806.2			
Total Disallowances/(Allowances)			<u>\$ 55,395</u>
TOTAL AUDITED PROPERTY EXPENSE			<u>\$ 936,901</u>