



NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF LINCOLN MEDICAL MENTAL HEALTH
CLAIMS FOR LOW BIRTH WEIGHT NEWBORN SERVICES
APRIL 1, 2012 – MAY 31, 2014

FINAL AUDIT REPORT
AUDIT # 14-4171

James C. Cox
Medicaid Inspector General

November 25, 2014

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

ANDREW M. CUOMO
GOVERNOR

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MEDICAID INSPECTOR GENERAL

November 25, 2014

[REDACTED]
Lincoln Medical & Mental Health
NYC Health & Hospitals Corporation
160 Water Street Room 736
New York, New York 10038

Re: Final Audit Report
Audit #: 14-4171
Provider ID #: [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid fee for service claims for low birth weight newborns that may have been improperly paid to Lincoln Medical and Mental Health (Provider) for Medicaid recipients enrolled in a Medicaid Managed Care Organization (MCO). The New York State Medicaid Program pays MCOs a monthly capitation payment per enrollee based on the services included in the MCO's benefit package. The MCO in turn reimburses the network providers and/or subcontractors who render these services.

BACKGROUND

The New York State Department of Health (the 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 ensuring 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, 14 and 18 of the NYCRR), the Department's Medicaid Provider Manuals, *Medicaid Update* publications and applicable contracts.

Medicaid Fee-for-Service Overpayments Paid to the Provider in Managed Care Covered Services Cases

- i. New York State Medicaid Program, Information for All Providers, General Policy Manual: (Version 2011-2): The Department may either conduct an on-site field audit of a person's records or it may conduct an in-house review utilizing data processing procedures. If overpayments are found, the Department will issue a draft audit report which will set forth any items to be disallowed and advise the person of the Department's proposed action. The person will then have 30 days to submit documents in response to the audit and/or object to any proposed action.
- ii. 18 NYCRR Section 518.1(b) and (c) – 18 NYCRR 518.1(b) states: "When the department has determined that any person has submitted or caused to be submitted claims for medical care, services or supplies for which payment should not have been made, it may require repayment of the amount determined to have been overpaid." 18 NYCRR 518.1(c) states: "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."
- iii. 18 NYCRR Section 518.3(a) states: "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."
- iv. DOH Medicaid Update (February 2012): Medicaid policy states: "Effective April 1, 2012, infants born on or after April 1, 2012, weighing less than 1,200 grams and infants under six months of age who are disabled will no longer be excluded from enrolling in a Medicaid managed care plan and will be enrolled in Medicaid managed care."

PURPOSE AND SCOPE

The purpose of this audit was to ensure Lincoln Medical Mental Health's compliance with applicable laws, regulations, rules and policies governing the New York State Medicaid Program and to verify that:

- Lincoln Medical Mental Health sought reimbursement from liable third parties;
- Claims for payment were submitted in accordance with applicable rules and requirements.

The period of review includes dates of service from April 1, 2012, through May 31, 2014. The review identified two instances where Lincoln Medical Mental Health received a fee for service Medicaid payment (Rate Code 2946) while the low birth weight newborn was enrolled in managed care and the MCO received a supplemental low birth weight newborn capitation payment (Rate Code 2291); indicating the Provider was either eligible for or did receive a payment from the MCO related to the newborn's birth.

FINDINGS

A Draft Audit Report was issued October 2, 2014 identifying two fee for service claims totaling \$73,951.21 for Rate Code 2946 for low birth weight newborns enrolled in Medicaid managed care. In its October 20, 2014 response the provider agreed with the findings in the Draft Audit Report and correctly adjusted the claims from Rate Code 2946 to Rate Code 3130. As a result there is no balance due the New York State Department of Health.

PROVIDER 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 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 [REDACTED]

If a hearing is held, the Provider may have a person represent the Provider or the Provider may represent itself. If the Provider chooses to be represented by someone other than an attorney, the Provider must supply, along with the Provider's hearing request, a signed authorization permitting that person to represent the Provider at the hearing; the Provider may call witnesses and present documentary evidence on the Provider's behalf.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid program, to take other administrative or legal action where appropriate, and recover any Medicaid overpayments through the initiation of a set-off or withholding of payments, a civil lawsuit, or any other lawful means.

Should you have any questions please contact [REDACTED] or via e-mail at [REDACTED]. Thank you for your cooperation.

Sincerely,

[REDACTED]
Division of Medicaid Audit, Albany Office
Office of the Medicaid Inspector General

Attachments (2)
CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED