NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF AMERIGROUP NEW YORK, LLC RETROACTIVE DISENROLLMENT DUE TO PLACEMENT IN RESIDENTIAL/LONG TERM HEALTH CARE FACILITY

DATES OF SERVICE FROM JANUARY 1, 2012 THROUGH DECEMBER 31, 2013

FINAL AUDIT REPORT
AUDIT #14-2869

James C. Cox
Medicaid Inspector General

October 1, 2014

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

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

October 1, 2014

[redacted]
Amerigroup New York, LLC
4425 Corporation Lane
Virginia Beach, Virginia 23462

Re: Final Audit Report
Audit # 14-2869
Provider # [redacted]

Dear [redacted]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid monthly capitation payments made to Amerigroup New York, LLC (Plan) that were determined to be recoverable based on the enrollee's retroactive disenrollment from the Plan and permanent placement into a Residential/Long Term Health Care Facility. In accordance with the Medicaid Managed Care/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 report represents the final determination regarding capitation payments made on behalf of enrollees retroactively disenrolled due to placement in a Residential/Long Term Health Care Facility found during the OMIG's review.

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 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 (Titles 10 and 18 of NYCRR), the regulations of the Office of Mental Health (Title 14 of the NYCRR), and 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 capitation payment from Medicaid and subsequently the enrollee was retroactively disenrolled for the entire payment month following permanent placement in a Residential/Long Term Health Care Facility. The scope of the audit includes enrollees permanently placed in a Residential/Long Term Health Care Facility for the period of January 1, 2012, through December 31, 2013.

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6 (SDOH Right to Recover Premiums) and Appendix H, the OMIG, on behalf of the Department, has the 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 June 5, 2014 identifying $193,121.91 in overpaid capitation payments made to the Plan and not subsequently returned to Medicaid when the enrollee was retroactively disenrolled from the Plan due to permanent placement in a Residential/Long Term Health Care Facility. In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6 and Appendix H, the OMIG, on behalf of the Department, has the 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. In its July 9, 2014 response to the Draft Audit Report the Plan submitted documentation contesting a portion of the claims (Attachment I). Upon reviewing the documentation, the OMIG agreed to reduce the overpayments in the Draft Audit Report by $11,315.32 (Attachment II) resulting in an overpayment of $181,806.59.

The total amount of overpayment, as defined in 18 NYCRR §518.1(c) is $181,806.59. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of $181,806.59. Therefore, there is no balance due the New York State Department of Health (Attachment III).

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 Section 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 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, 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.

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. Please contact [redacted] or via e-mail at [redacted] if you have any questions regarding the above. Thank you for your cooperation.

Sincerely,

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

Attachments

CERTIFIED MAIL [redacted]
RETURN RECEIPT REQUESTED