



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

**BED RESERVE AUDIT
WEST LAWRENCE CARE CENTER, LLC
JULY 1, 2010 – JUNE 30, 2012
AUDIT# 14-3356**

FINAL AUDIT REPORT

**James C. Cox
Medicaid Inspector General
October 22, 2014**

OFFICE OF THE MEDICAID INSPECTOR GENERAL

omig.ny.gov

The mission of the Office of the Medicaid Inspector General (OMIG), as mandated by New York Public Health Law § 31 is to preserve 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.

DIVISION OF MEDICAID AUDIT

The Division of Medicaid Audit professional staff conducts audits and reviews of Medicaid providers to ensure compliance and program requirements and, where necessary, to recover overpayments. These activities are done to monitor the cost-effective delivery of Medicaid services for prudent stewardship of scarce dollars; to ensure the required involvement of professionals in planning care to program beneficiaries; safeguard the quality of care, medical necessity and appropriateness of Medicaid services provided; and, to reduce the potential for fraud, waste and abuse.

DIVISION OF MEDICAID INVESTIGATIONS

The Division of Medicaid Investigations (DMI) investigates potential instances of fraud, waste, and abuse in the Medicaid program. DMI deters improper behavior by inserting covert and overt investigators into all aspects of the program, scrutinizing provider billing and services, and cooperating with other agencies to enhance enforcement opportunities. Disreputable providers are removed from the program or prevented from enrolling. Recipients abusing the system are not removed from this safety net, but their access to services is examined and restricted, as appropriate. DMI maximizes cost savings, recoveries, penalties, and improves the quality of care for the state's most vulnerable population.

DIVISION OF TECHNOLOGY AND BUSINESS AUTOMATION

The Division of Technology and Business Automation will continue to support the data needs for the OMIG in the form of audit and investigative support, data mining and analysis, system match and recovery, through the use of commercial data mining products and procurement of expert service consultants.

OFFICE OF COUNSEL TO THE MEDICAID INSPECTOR GENERAL

The Office of Counsel to the Medicaid Inspector General promotes the OMIG's overall statutory mission through timely, accurate and persuasive legal advocacy and counsel.

TABLE OF CONTENTS

	PAGE
BACKGROUND, PURPOSE AND SCOPE	1-2
FINDINGS	3
ATTACHMENTS AND SCHEDULES	
ATTACHMENT I – Providers Response to Draft Audit Report	



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

October 22, 2014

[REDACTED]
West Lawrence Care Center, LLC
1410 Seagirt Blvd
Far Rockaway, NY 11691

Re: Bed Reserve Audit
Final Audit Report
Audit# 14-3356
Provider # [REDACTED]

Dear [REDACTED]

Enclosed is the Office of the Medicaid Inspector General's ("OMIG") Final Audit Report of bed reserve payments to West Lawrence Care Center, LLC (the "Facility") for period of July 1, 2010 to June 30, 2012. In accordance with Section 517.6 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York, this report represents the final determination on issues found during the review.

After having a September 19, 2014 phone conversation with the Facility and reviewing the Facility's September 3, 2014 response (Attachment I) to the OMIG's August 20, 2014 Draft Audit Report, the findings in this Final Audit Report have been reduced from the \$3,943 identified in the Draft Audit Report to an immaterial amount. A detailed explanation of the findings is included in this Final Audit Report.

BACKGROUND, PURPOSE & SCOPE

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The federal and state governments jointly fund and administer the Medicaid program. In New York State, the Department of Health ("DOH") administers the Medicaid program. As part of this responsibility, the Department's Office of the Medicaid Inspector General (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 of Health (Titles 10 and 18 of the NYCRR), the regulations of Office of Mental Health (Title 14 of the NYCRR) and the Department of Health's Medicaid Provider Manuals and *Medicaid Update* publications.

The purpose of the audit was to ensure that the Facility was in compliance with 18 NYCRR §505.9(d) and effective July 19, 2010 New York DOH DAL/DRS 10-08 and supplement letters regarding Chapter 109 of the Laws of 2010 §2808(25) Public Health Law; which addresses the eligibility and requirements to bill Medicaid for a reserved bed day, §504.3 which addresses the duties of a provider by enrolling in Medicaid, and §515.2 that addresses unacceptable practices. Also, in accordance with 18 NYCRR §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.

For a bed to be reserved and billed to the Medicaid Program, the vacancy rate requirement under 18 NYCRR Section 505.9(d) states, "The department will pay an institution for a recipient's reserved bed days when the part of the institution to which the recipient will return has a vacancy rate of no more than 5 percent on the first day the recipient is hospitalized or on leave of absence."

Reserved bed day reimbursement requirements to RHCF's for Medicaid eligible individuals aged twenty-one and older listed per New York DOH DAL/DRS 10-08 and supplement letters regarding Chapter 109 of the Laws of 2010; §2808(25) of Public Health Laws "Effective July 19, 2010, the Department will reimburse a RHCF to reserve the bed for a Medicaid recipient aged twenty-one or over, for fourteen (14) days in a 12-month period for temporary hospitalizations and for ten (10) days in a 12-month period for non-hospital (therapeutic) leaves of absence...."

The scope of the audit was a review of the Facility's records to ensure that the Facility properly complied with applicable Federal and State laws, regulations, rules and policies that govern the New York State Medicaid bed reserve program related to:

1. The Facility's claim for payment was true, accurate and complete.
2. The Facility had a vacancy rate of no more than 5% on the day of the resident's temporary leave from the facility.
3. The Facility's Medicaid recipients' bed reserve days were limited reimbursement for a maximum of 14 days in 12-month period for hospitalizations and ten days in 12-month calendar period for non-hospital therapeutic leave of absences.

An analysis was completed of the Monthly Periodic Census Reports (Attachment II) that were submitted by the Facility to support the daily activity and bed reserve payments for period July 1, 2010 to June 30, 2012. Part of this analysis was to determine if any new bed-holds were billed to Medicaid by the Facility during a period where the vacancy rate exceeded 5%. The Facility had a 215 bed capacity throughout the audit period. In complying with the 5% vacancy requirement, the Facility's unoccupied bed count could not exceed 10 vacant beds at the time the Facility billed Medicaid for a new bed-hold.

FINDINGS

In a September 19, 2014 phone conversation with the Facility and in their September 3, 2014 response (Attachment I) to OMIG's August 20, 2014 Draft Audit Report, the Facility has shown that a recipient was incorrectly coded on Daily Census Detail sheet and once this adjustment was made to OMIG's analysis the audit findings were reduced to an immaterial amount. This amount is not subject to recovery. Please be advised that pursuant to 18 NYCRR 517.3(h) the OMIG hereby concludes its review related to the above-referenced audit objective and scope. The OMIG has determined that no further action is warranted.

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. If you have any questions regarding the above, please contact [REDACTED] [REDACTED] or through email at [REDACTED] Thank you for your cooperation.

Sincerely,

[REDACTED]

Bureau of Medicaid Audit
Office of the Medicaid Inspector General

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED