



Office of the
Medicaid Inspector
General

DENNIS ROSEN
Medicaid Inspector General

Audit of Capitation Payments for Incarcerated Enrollees

Final Audit Report
Audit #: 16-2108

United Healthcare of New York, Inc.

Provider ID #: [REDACTED]



Office of the
Medicaid Inspector
General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

October 19, 2016

[REDACTED]
United Healthcare of New York, Inc.
77 Water Street, 14th Floor
New York, New York 10005

Re: Final Audit Report
Audit #: 16-2108
Provider ID #: [REDACTED]

Dear [REDACTED]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for United Healthcare of New York, Inc (Plan).

In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York Section 517.6, this Final Audit Report represents the final determination on the issues found during OMIG's audit.

After reviewing the Plan's October 14, 2016 response to OMIG's April 14, 2016 Draft Audit Report, OMIG has reduced the overpayments identified in the Draft Audit Report from \$756,525.90 to \$756,417.06 in this Final Audit Report. Based on this determination, the total overpayment is \$756,417.06. A detailed explanation can be found in the Audit Findings section of this report.

If you have any questions or comments concerning this report, or to obtain the password for the enclosed disk, please contact [REDACTED]

[REDACTED] Please refer to audit number 16-2108 in all correspondence.

[REDACTED]
Bureau of Managed Care and FFS Audit
Division of Medicaid Audit
Office of the Medicaid Inspector General

Table of Contents

Background	1
Objective	1
Audit Scope	1
Audit Findings	2
Effective Date	2
Repayment Options	3
Hearing Rights	4
Contact Information	5
Remittance Advice	
Attachments:	
A – Provider Response	
B – Paid Appropriate	
C – Final Report Overpayments with Voided Claims	

Background, Objective, and Audit Scope

Background

The New York State Department of Health (DOH) is the single state agency responsible for the administration of the Medicaid program. As part of its responsibility as an independent entity within DOH, the Office of the Medicaid Inspector General (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 DOH (Titles 10 and 18 of the New York Codes, Rules and Regulations), the regulations of the Department of Mental Hygiene (Title 14 of the New York Codes, Rules and Regulations), DOH's Medicaid Provider Manuals, *Medicaid Update* publications, and the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6, 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.

Objective

The objective of this audit was to assess the Plan's adherence to applicable laws, regulations, rules and policies governing the New York State Medicaid program and to recover:

- Monthly capitation payments for Medicaid managed care enrollees that were determined to be incarcerated for a full payment month.

Audit Scope

This audit identified instances where capitation payments were made to the Plan for enrollees who were determined to be incarcerated for a full payment month. This audit included capitation payments made to the Plan for dates of service beginning January 1, 2015 and ending December 31, 2015.

Audit Findings and Effective Date

Audit Findings

OMIG issued a Draft Audit Report to the Plan on April 14, 2016 that identified \$756,525.90 in Medicaid overpayments for managed care enrollees that were determined to be incarcerated for a full payment month. The Plan's October 14, 2016 response (Attachment A) to the Draft Audit Report disputed 2 of the claims identified. After reviewing the Plan's response to the Draft Audit Report, OMIG agreed with the Plan and removed the 2 claims from the Final Audit Report findings. As a result, in this Final Audit Report, OMIG reduced the overpayments identified in the Draft Audit Report by \$704.58, inclusive of a \$4.20 rate adjustment (Attachment B). The overpayment of \$755,825.52 was further adjusted by \$591.54, as a result, the total amount of overpayment is now \$756,417.06. Pursuant to Sections 3.6 and 19.7 of the Contract, and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York (18 NYCRR) Parts 517 and 518, OMIG, on behalf of DOH, may recover such overpayments.

Based on this determination, the total amount due to DOH, as defined in 18 NYCRR Section 518.1, is \$756,417.06. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$394.72. Therefore, \$756,022.34 is due the DOH (Attachment C).

Effective Date

The OMIG, on behalf of the Department, is seeking to recover the amount remaining due of \$756,022.34 from the Plan, effective 20 days from the date of this Final Audit Report.

Repayment Options

In accordance with 18 NYCRR Part 518, which regulates the collection of overpayments, your repayment options are described below.

Option #1: Make a full payment by check or money order within 20 days of the date of this Final Audit Report. The check should be made payable to the **New York State Department of Health** with the audit number included, and be sent with the attached remittance advice to:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Audit #: 16-2108
Albany, New York 12237

Option #2: Enter into a repayment agreement with OMIG. If your repayment terms exceed 90 days from the date of this Final Audit Report, recoveries of amounts due are subject to interest charges at the Prime Rate plus two percent (2%). If the process of establishing the repayment agreement exceeds 20 days from the date of the final audit report, 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. 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 New York 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:

New York State
Office of the Medicaid Inspector General
Bureau of Collections Management
800 North Pearl Street
Albany, New York 12204
Phone #: [REDACTED]
Fax #: [REDACTED]

Hearing 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 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 within sixty (60) days of the date of this notice to:

General Counsel
New York State
Office of the Medicaid Inspector General
Office of Counsel
800 North Pearl Street
Albany, New York 12204

Questions regarding the request for a hearing should be directed to Office of Counsel, at [REDACTED]

If a hearing is held, the Plan may have a person represent it 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 its 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 its behalf.

For a full listing of hearing rights please see 18 NYCRR Part 519.

Contact Information



Office Address:

New York State
Office of the Medicaid Inspector General
Division of Medicaid Audit
800 N. Pearl Street
Albany, New York 12204

Mission

The mission of the Office of the Medicaid Inspector General is to enhance 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 while promoting high quality patient care.

Vision

To be the national leader in promoting and protecting the integrity of the Medicaid program.



Office of the
Medicaid Inspector
General

REMITTANCE ADVICE

United Healthcare of New York, Inc.
77 Water Street, 14th Floor
New York, New York 10005

Provider ID #: [REDACTED]

Audit #: 16-2108

Amount Due: \$756,022.34

Audit
Type

- Managed Care
 Fee-for-Service
 Rate

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 the check to:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Audit #: 16-2108
Albany, New York 12237