NEW YORK STATE | Office of the Medicaid Inspector General

DENNIS ROSEN
Medicaid Inspector General

Audit of Claims for Newborn Birth Services

Final Audit Report
Audit #: 16-3522

University Hsp Suny Hlth Sc

Provider ID #: [redacted]

NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

October 13, 2016

[redacted]
SUNY Upstate University Hospital
750 East Adams St
Syracuse NY 13210- 2306

Re: Final Audit Report
Audit #: 16-3522
Provider ID #: [redacted]

Dear [redacted]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for University Hsp Suny Hlth Sc (Provider).

In accordance with Title 18 of the Official Compilation of 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.

The Provider's October 3, 2016 response to OMIG's September 9, 2016 Draft Audit Report stated that the Provider is in agreement with the Draft Audit Report findings. As a result, the overpayments identified in this Final Audit Report remain unchanged from those cited in the Draft Audit Report. The total amount due is $8,950.19, inclusive of interest. 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] Please refer to audit number 16-3522 in all correspondence.

[redacted]

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

[redacted]

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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).

The New York State Medicaid Program pays a monthly capitation payment per enrollee to MCOs 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.

Objective

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

- the Provider did not bill fee-for-service Medicaid while the newborn was enrolled in Medicaid Managed Care; and
- newborn birth payments were submitted in accordance with applicable rules and requirements.

"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(b)

"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."

18 NYCRR 518.1(c)

"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."

18 NYCRR 518.3(a)

"Newborns born to women receiving medical assistance on the date of birth are automatically eligible for Medicaid for one year. If the mother is enrolled in a Medicaid Managed Care plan, the newborn will be enrolled in the same plan from the date of birth… The only exceptions to the automatic enrollment of a newborn into the same Managed Care plan as the mother are when the newborn under six months weighs less than 1200 grams (2 lbs. 10 ounces), or is determined eligible for the SSI related category, or the mother is enrolled in certain special needs or partial capitation plans."

NYS DOH Medicaid Update, October 2003 Vol. 18, No. 10

"Newborns born to women receiving medical assistance on the date of birth are automatically eligible for Medicaid for one year. If the mother is enrolled in a Medicaid Managed Care plan (MMCP), the newborn will be enrolled in the same plan from the date of birth… The only exceptions to the automatic enrollment of a newborn into the same MMCP as the mother are when the newborn receives comprehensive third party health insurance (TPHI). In this case, the child will be disenrolled to fee-for-service Medicaid."

NYS DOH Medicaid Update, January 2013 Vol. 29, No. 2

"The Contractor shall receive a capitation payment from the first day of the newborn's month of birth and, in instances where the Contractor pays the hospital or birthing center for the newborn stay, a Supplemental Newborn Capitation Payment."

Medicaid Managed Care/Family Health Plus Contract/HIV Special Needs Plan Model Contract – Section 3.9 (b)

"The Contractor cannot bill for a Supplemental Newborn Capitation Payment unless the newborn hospital or birthing center payment has been paid by the Contractor."

Medicaid Managed Care/Family Health Plus Contract/HIV Special Needs Plan Model Contract – Section 3.9 (d)

Audit Scope

This audit identified instances where the Provider received a fee-for-service Medicaid payment (Rate Code 2946 or 2996) while the newborn was enrolled in Medicaid Managed Care and the MCO received a supplemental newborn capitation payment (Rate Code 2298), indicating the Provider was either eligible for or did receive a payment from the MCO related to the newborn's birth. This audit included payments made to the Provider for dates of service beginning January 1, 2011 and ending June 30, 2014.

Audit Findings

OMIG issued a Draft Audit Report to the Provider on September 9, 2016 that identified $13,515.84 in inappropriately billed Medicaid fee-for-service claims for newborns enrolled in Medicaid Managed Care. OMIG determined that the Provider is entitled to a Graduate Medical Education (GME) payment of $5,394.07. Based on this determination, the findings in the Draft Audit Report totaled $8,121.77. The Provider's October 3, 2016 response (Attachment A) to the Draft Audit Report stated that the Provider is in agreement with the Draft Audit Report findings. As a result, the overpayments identified (Attachment B) in this Final Audit Report remain unchanged from those cited in the Draft Audit Report. Pursuant to 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.

In accordance with 18 NYCRR Section 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. Interest on the overpayments identified in this Final Audit Report was calculated from the date of each overpayment through the date of the Draft Audit Report, September 9, 2016 using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest of $828.42 (Attachment B) is now owed.

Based on this determination, the total amount due to DOH, as defined in 18 NYCRR Section 518.1 is $8,950.19 (Attachment B), inclusive of interest.

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 #: 16-3522
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
[redacted]

Hearing 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 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 Provider may have a person represent it 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 its 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 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 North 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.

NEW YORK STATE | Office of the Medicaid Inspector General

REMITTANCE ADVICE

SUNY Upstate University Hospital
750 East Adams St
Syracuse NY 13210- 2306

Provider ID #: [redacted]

Audit #: 16-3522

Audit Type

- ☐ **Managed Care**
- ☒ **Fee-for-Service**
- ☐ **Rate**

Amount Due: **$8,950.19**

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 #: 16-3522
Albany, New York 12237