



Office of the  
Medicaid Inspector  
General

**DENNIS ROSEN**  
Medicaid Inspector General

# **Audit of Supplemental Low Birth Weight Newborn Capitation Payments**

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**Final Audit Report  
Audit #: 16-4009**

## **MetroPlus Health Plan Inc.**

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**Provider ID #: [REDACTED]**



Office of the  
Medicaid Inspector  
General

ANDREW M. CUOMO  
Governor

DENNIS ROSEN  
Medicaid Inspector General

October 19, 2016

[REDACTED]  
MetroPlus Health Plan, Inc.  
160 Water Street, 3rd Floor  
New York, New York 10038

Re: Final Audit Report  
Audit #: 16-4009  
Provider ID #: [REDACTED]

Dear [REDACTED]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for MetroPlus Health Plan, 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.

The Plan's October 6, 2016 response to OMIG's September 28, 2016 Draft Audit Report stated that the Plan 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 amount of the overpayment is \$110,019.25, plus interest of \$3,315.95,

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 16-4009 in all correspondence.

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

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A – Provider Response	
B – Final Report Overpayments with Voided Claims	

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## Background, Objective, and Audit Scope

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### 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 Section 3.6 of the *Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract*, "The parties acknowledge and accept that the SDOH has a right to recover premiums paid to the contractor for MMC Enrollees listed on the monthly Roster who are later determined for the entire applicable payment month, to have died. SDOH will not allow, under any circumstance, duplicate Medicaid payments for an Enrollee.

According to Section 3.9 (b)(d) and Section 19.6 of the *Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract*, "The Contractor (MCO) shall receive a capitation payment from the first day of the newborn's month of birth and, in instances where the Contractor (MCO) pays the hospital or birthing center for the newborn stay, a Supplemental Newborn Capitation Payment. The Contractor (MCO) cannot bill for a Supplemental Newborn Capitation Payment unless the newborn hospital or birthing center payment has been paid by the Contractor. The Contractor must submit encounter data evidence for the newborn stay. Failure to have supporting records may, upon an audit, result in recoupment of the Supplemental Newborn Capitation Payment by SDOH." Section 19.6 states: "The Office of the Medicaid Inspector General (OMIG) can perform audits of the Contractor's submitted encounter data after DOH has reviewed and accepted the Contractor's encounter data submission. If the audit determines the Contractor's encounter data was incorrectly submitted and the Contractor received additional or higher Medicaid managed care capitation rate payments and/or Supplemental Newborn Capitation Payments and/or Supplemental Maternity Capitation Payments due to the incorrect encounter data, OMIG can recover from the Contractor the additional Medicaid funds that the Contractor received because of the encounter data misstatement."

**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 identify and recover payments when:

- The Plan received Supplemental Newborn Capitation Payments from Medicaid for low birth weight newborns when the newborn's birth did not qualify for such a payment
- The Plan received monthly Medicaid Managed Care capitation payments after the newborn's date of death
- The Plan received monthly Medicaid Managed Care capitation payments for the same enrollee with two different Client Identification Numbers

**Audit Scope**

This audit identified instances where capitation payments were made to the Plan for enrollees who:

- Claim records indicate an inpatient stay of short duration
- Are determined to be deceased

This audit includes supplemental capitation payments made to the Plan for dates of service beginning May 1, 2015 and ending December 31, 2015, as well as monthly capitation payments for dates of service beginning July 1, 2015 and ending August 1, 2016.

## Audit Findings and Effective Date

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### Audit Findings

OMIG issued a Draft Audit Report to the Plan on September 28, 2016 that identified \$110,019.25 in Medicaid overpayments for enrollees whose birth weight was not less than 1,200 grams or for deceased enrollees. The Plan's October 6, 2016 response (Attachment A) to the Draft Audit Report stated that the Plan 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 Sections 3.6, 3.9(d) and 19.6 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.

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 28, 2016 using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest of \$3,315.95 (Attachment B) is now owed.

Based on this determination, the amount due to DOH, as defined in 18 NYCRR Section 518.1, is \$110,019.25, plus interest of \$3,315.95. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$110,019.25. Therefore, the remaining amount due to DOH is \$3,315.95 (Attachment B).

### Effective Date

The OMIG, on behalf of the Department, is seeking to recover the amount remaining due of \$3,315.95 from the Plan, effective 20 days from the date of this Final Audit Report.

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## Repayment Options

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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 #: 16-4009  
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]

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## Hearing Rights

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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]

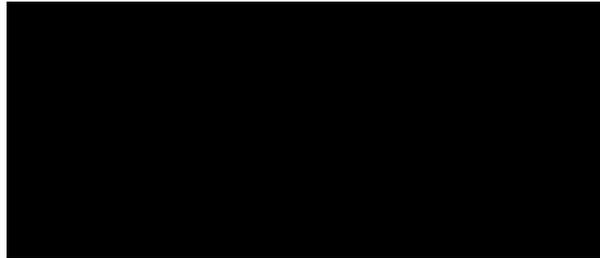
If a hearing is held, the Plan may have a person represent it or the Plan may represent itself. If the Plan chooses to be represented by someone other than an attorney, the Plan must supply along with its hearing request a signed authorization permitting that person to represent the Plan at the hearing; 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.

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## Contact Information

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Office Address:

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

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## 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

MetroPlus Health Plan, Inc.  
160 Water Street, 3rd Floor  
New York, New York 10038

Provider ID #: [REDACTED]

Audit #: 16-4009

Amount Due: \$3,315.95

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 #: 16-4009  
Albany, New York 12237