



NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF INDEPENDENCE CARE SYSTEM, INC.
CAPITATION PAYMENTS FOR INCARCERATED ENROLLEES
JANUARY 1, 2013 - DECEMBER 31, 2013

FINAL AUDIT REPORT
AUDIT # 14-2400

James C. Cox
Medicaid Inspector General

September 18, 2014

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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

September 18, 2014

[REDACTED]
Independence Care System, Inc.
257 Park Avenue South 2nd Floor
New York, New York 10010

Re: Final Audit Report
Audit # 14-2400
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where Independence Care System, Inc. (Plan) received monthly Medicaid and/or Family Health Plus capitation payments for incarcerated enrollees during the period from January 1, 2013 through December 31, 2013. In accordance with Medicaid Managed Long Term Care 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 on the issues 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 any applicable contracts.

PURPOSE AND SCOPE

The purpose of this audit was to identify instances where the Plan received a capitation payment from Medicaid when the enrollee was incarcerated for the entire payment month. The review includes capitation payments made to the Plan during the period from January 1, 2013 through December 31, 2013. These cases were identified by a computerized match comparing Medicaid and/or Family Health Plus managed care enrolled recipients to information provided by the New York State Department of Correctional and Community Supervision (DOCCS) and Division of Criminal Justice Services (DCJS).

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Article VI (Department Right to Recover Premiums), 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 July 8, 2014 identifying \$8,512.87 in overpaid capitation payments made to the Plan for periods subsequent to the enrollee's incarceration. The Plan did not dispute the findings in the Draft Audit Report. As a result, the findings of the Final Audit Report remain unchanged from those cited in the Draft Audit Report.

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

The total amount of overpayment, as defined in 18 NYCRR 518.1(c), is \$8,512.87. Subsequent to the issuance of the Draft Audit Report, the Plan submitted claim voids in the amount of \$8,512.87. Therefore, there is no balance due the New York State Department of Health (Attachment I).

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 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."

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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

Pursuant to 18 NYCRR §519.8, at the hearing you have the right to:

- (a) request the department to reschedule the hearing (adjournment);
- (b) be represented by an attorney, or other representative, or to represent himself/herself;
- (c) have an interpreter, at no charge, if the appellant does not speak English or is deaf and cannot afford one (the appellant must advise the department prior to the hearing if an interpreter will be needed);
- (d) produce witnesses and present written and/or oral evidence to explain why the action taken was wrong; and
- (e) cross-examine witnesses of the department.

The OMIG reserves the right to conduct further reviews of The Plan's 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 (1)

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED