



**Office of the  
Medicaid Inspector  
General**

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

**REVIEW OF AMERIGROUP NEW YORK, LLC  
CAPITATION PAYMENTS FOR INCARCERATED ENROLLEES  
JANUARY 1, 2014 - DECEMBER 31, 2014**

**FINAL AUDIT REPORT  
AUDIT # 15-3332**

**Dennis Rosen  
Medicaid Inspector General**

**September 8, 2015**

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### ATTACHMENTS

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Office of the  
Medicaid Inspector  
General

ANDREW M. CUOMO  
Governor

DENNIS ROSEN  
Medicaid Inspector General

September 8, 2015

[REDACTED]  
Amerigroup Corporation  
4425 Corporation Lane  
Virginia Beach, Virginia 23462

Re: Final Audit Report  
Audit # 15-3332  
Provider # [REDACTED]

Dear [REDACTED]:

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where Amerigroup New York LLC (Plan) received monthly Medicaid and/or Family Health Plus capitation payments for incarcerated enrollees during the period from January 1, 2014 through December 31, 2014. In accordance with the Medicaid Managed Care and Family Health Plus/HIV Special Needs Plan 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 (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 the 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 the Contract.

## **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, 2014 through December 31, 2014. 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, Section 3.6 (SDOH Right to Recover Premiums), Section 19.7 (OMIG Audit Authority), and Appendix H, the OMIG, on behalf of the Department, has a right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to be ineligible for Managed Care for the entire payment month.

## **FINDINGS**

A Draft Audit Report was issued on July 21, 2015 identifying \$187,665.43 in overpaid capitation payments made to the Plan for periods subsequent to the enrollee's incarceration. In its August 24, 2015, response (Attachment I) to the Draft Audit Report the Plan confirmed the findings of 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 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.

The total amount of overpayment, as defined in 18 NYCRR 518.1(c), is \$187,665.43. Subsequent to the issuance of the Draft Audit Report, the Plan submitted claim voids in the amount of \$187,665.43. Therefore, there is no balance due the New York State Department of Health (Attachment II).

## **PROVIDER 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."

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 [REDACTED].

If a hearing is held, the Plan may have a person represent the Plan 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 the Plan's 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 the Plan's behalf.

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] for the disk password or if you have any questions regarding the above. Thank you for your cooperation.

Sincerely,

[REDACTED]

Division of Medicaid Audit  
Office of the Medicaid Inspector General

Attachments (2)

CERTIFIED MAIL # [REDACTED]  
RETURN RECEIPT REQUESTED