



Office of the
Medicaid Inspector
General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

September 30, 2016

[REDACTED]
Salem Hills Rehabilitation and Nursing Center
539 Route 22, P.O. Box 360
Purdys, New York 10578

Re: MDS Final Audit Report
Audit #: 13-4735
Provider ID#: [REDACTED]

Dear [REDACTED]

This is the final audit report of findings with regard to the Office of the Medicaid Inspector General's (OMIG) Minimum Data Set (MDS) audit of Salem Hills Rehabilitation and Nursing Center for the census period ending July 25, 2012. In accordance with 18 NYCRR §517.6, this final audit report represents the OMIG's final determination on issues found during OMIG's review.

In your response to the draft audit report dated April 29, 2016, you identified specific audit findings with which you disagreed. Your comments have been considered (see Attachment D) and the report has been either revised accordingly and/or amended to address your comments (see Attachment D).

The Medicaid overpayment of \$23,794.29 was calculated using the number of Medicaid days paid for the rate period January 1, 2013 through June 30, 2013 and the change in the direct component of your Medicaid rate as calculated by the Department of Health's Bureau of Long Term Care Reimbursement (BLTCR). The calculation of this overpayment is detailed in Attachment A. BLTCR will adjust your Medicaid rates for the relevant rate period to reflect the change in the direct component. The findings explanation, regulatory references, and applicable adjustment can be found in the attachments following Attachment A.

The Provider has the right to challenge this action and determination by requesting an administrative hearing within 60 days of the date of this notice. If the Provider 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, NY 12204

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

[REDACTED]

Page 2
September 30, 2016

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 a hearing is held, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply along with your hearing request a signed authorization permitting that person to represent you at the hearing; you may call witnesses and present documentary evidence on your behalf.

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

Should you have any questions regarding the above, please contact [REDACTED]
[REDACTED]

[REDACTED]

Division of Medicaid Audit
Office of the Medicaid Inspector General

[REDACTED]

OFFICE OF THE MEDICAID INSPECTOR GENERAL
SALEM HILLS REHABILITATION AND NURSING CENTER
AUDIT 13-4735
CALCULATION OF AUDIT IMPACT

RATE TYPE	DECREASED IN DIRECT COMPONENT OF RATE*	MEDICAID DAY	IMPACT
Part B Eligible/Part B D Eligible	\$1.23	19,227	\$23,649.21
Non-Medicare/Part D Eligible	\$1.24	117	\$145.08
Total			<u>\$23,794.29</u>

*Rounded to nearest 1/100th New York State Department of Health Bureau of Managed Long Term
Care Rate Setting / FFS

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 SALEM HILLS REHABILITATION AND NURSING CENTER
 AUDIT #13-4735
 FINDINGS BY SAMPLE NUMBER

Sample #		Reported RUG	Derived RUG	Reported RUG Weight	Derived RUG Weight	DISALLOW SPECIAL TREATMENTS, PROCEDURES	DISALLOW SPEECH THERAPY	DISALLOW OCCUPATION THERAPY	DISALLOW PHYSICAL THERAPY	DETAILED FINDING
1		RMA	RMA	1.17	1.17					
2		PE1	PE1	0.79	0.79					
3		IA1	IA1	0.61	0.61					
4		RMA	IA1	1.17	0.61				1	
5		IB1	IB1	0.78	0.78					
6		IA1	IA1	0.61	0.61					
7		RHC	RHC	1.40	1.40					
8		RMC	RMC	1.27	1.27					
9		RMC	RMC	1.27	1.27					
10		IA1	IA1	0.61	0.61					
11		RMB	RMB	1.22	1.22					
12		CC1	CC2	0.98	0.98					
13		RHC	RHC	1.40	1.40					
14		PE1	PE1	0.79	0.79					
15		IA1	IA1	0.61	0.61					
16		SSC	SSC	1.12	1.12					
17		RHC	RHC	1.40	1.40				1	
18		PE1	PE1	0.79	0.79					

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 SALEM HILLS REHABILITATION AND NURSING CENTER
 AUDIT #13-4735
 FINDINGS BY SAMPLE NUMBER

Sample #	Reported RUG	Derived RUG	Reported RUG Weight	Derived RUG Weight	DETAILED FINDING			
					DISALLOW SPECIAL TREATMENTS, PROCEDURES	DISALLOW SPEECH THERAPY	DISALLOW OCCUPATION THERAPY	DISALLOW PHYSICAL THERAPY
19	RMB	RMB	1.22	1.22				
20	RMC	RMC	1.27	1.27				
21	SSB	SSB	1.06	1.06				
22	CC1	CC1	0.98	0.98				
23	PD1	PD1	0.72	0.72				
24	RHC	PD2	1.40	0.73		1	1	1
25	RMB	RMB	1.22	1.22				
26	CC1	CC1	0.98	0.98	1			
27	IA1	IA1	0.61	0.61				
28	RMC	RMC	1.27	1.27				
29	CB1	CB1	0.86	0.86				
TOTALS					<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

**OFFICE OF THE MEDICAID INSPECTOR GENERAL
SALEM HILLS REHABILITATION AND NURSING CENTER
AUDIT #13-4735
MDS DETAILED FINDINGS**

MDS FINDINGS**SAMPLE SELECTION****Special Treatments, Procedures, and Programs**

If the provider is unable to produce the supporting documentation for the patient, the service will be disallowed and the Case Mix will be adjusted. A repayment schedule will be developed.

The intent of the items in this section is to identify any special treatments, procedures, and programs that the resident received during the specific time periods. MDS 3.0 manual guidelines will be followed when examining the medical records.

*42 CFR §483.20 (b) (xv)
MDS 3.0 Manual O0100-0300, O0600-0700*

In 1 instance, documentation did not support the number of days with MD exams during the look back period. 26

In 1 instances, documentation did not support the number of days with MD orders during the look back period. 26

Skilled Therapy

If the provider is unable to produce the supporting documentation for the patient, the service will be disallowed and the Case Mix will be adjusted. A repayment schedule will be developed.

The qualified therapist, in conjunction with the physician and nursing staff, is responsible for determining the necessity for and the frequency and duration of the therapy provided to residents. Rehabilitation (i.e., via Speech-Language Services, and Occupational and Physical Therapies) and respiratory, psychological, and recreational therapy helps the residents to attain or maintain their highest level of well-being and improve their quality of life. MDS 3.0 manual guidelines will be followed when reviewing the documentation provided by the facility.

42 CFR §483.20 (b) (xvii)
MDS 3.0 Manual O0400-0500

Speech-Language Pathology

In 1 instance, documentation did not support medical necessity for therapy and/or therapy was not reasonable for resident condition. 24

Occupational Therapy

In 1 instance, documentation did not support medical necessity for therapy and/or therapy was not reasonable for resident condition. 24

Physical Therapy

In 1 instance, documentation reflected incorrect individual/concurrent/group minutes. 17

In 1 instance, documentation reflected incorrect days. 17

In 2 instances, documentation did not support medical necessity for therapy and/or therapy was not reasonable for resident condition. 4, 24

RUGS-II Classifications Overturned

In 2 instances, the RUG classifications were overturned. 4, 24

10 NYCRR §86-2.10, Volume A-2

**OFFICE OF THE MEDICAID INSPECTOR GENERAL
SALEM HILLS REHABILITATION AND NURSING CENTER
AUDIT #13-4735
ANALYSIS OF PROVIDER RESPONSE**

Sample #	Finding	Provider Response	Accepted/Denied	Explanation
4	O0400C: Physical Therapy	<ul style="list-style-type: none"> • Letter dated May 31, 2016. • Nursing Notes dated 05/04/12 – 07/28/12. • Screen/Referral Form dated 05/25/12. • Physical Therapy Evaluation dated 05/25/12. • Physician Order for Skilled Restorative Physical Therapy dated 05/26/12. • Physical Therapy Weekly Progress Note dated 06/01/12. • Physical Therapy Discharge Summary dated 06/08/12. • PT Attendance Log, MDS Quarterly Summary dated May 2012, Intake Records, Bowel Records, Ambulation Records dated May 	Denied	<p>MDS Assessment Reference Date (ARD) is 05/31/12.</p> <p>Documentation does not support the MDS Manual's Section O guidelines and criteria for skilled therapy services.</p>

		2012, June 2012.		
12	Item #00700: Physician Orders		Accepted	Disallowance was reversed and will not be included in the Final Report.