



Office of the  
Medicaid Inspector  
General

**ANDREW M. CUOMO**  
Governor

**DENNIS ROSEN**  
Medicaid Inspector General

September 28, 2016

██████████  
The Orchard Nursing and Rehabilitation Centre  
10421 State Route 40  
Granville, New York 12832

Re: MDS Final Audit Report  
Audit #: 13-4767  
Provider ID#: ██████████

Dear ██████████

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 The Orchard Nursing and Rehabilitation Centre 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 \$9,899.03 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 ██████████

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

Division of Medicaid Audit  
Office of the Medicaid Inspector General

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
THE ORCHARD NURSING AND REHABILITATION CENTRE  
AUDIT 13-4767  
CALCULATION OF AUDIT IMPACT

RATE TYPE	DECREASED IN DIRECT COMPONENT OF RATE*	MEDICAID DAY	IMPACT
Part B Eligible/Part B D Eligible	\$0.96	9,973	\$9,574.08
Non-Medicare/Part D Eligible	\$0.97	335	\$324.95
Total			<u>\$9,899.03</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  
 THE ORCHARD NURSING AND REHABILITATION CENTRE  
 AUDIT #13-4767  
 FINDINGS BY SAMPLE NUMBER

Sample #	Reported RUG	Derived RUG	Reported RUG Weight	Derived RUG Weight	DETAILED FINDINGS
1	RMA	IA1	1.17	0.61	DISALLOW PHYSICAL THERAPY
2	RMB	RMB	1.22	1.22	
3	PE1	PE1	0.79	0.79	
4	RHC	RHC	1.40	1.40	
5	CC1	CC1	0.98	0.98	
6	SSC	SSC	1.12	1.12	
7	IB1	IB1	0.78	0.78	
8	RMA	RMA	1.17	1.17	
9	RMC	RMC	1.27	1.27	
10	RMA	RMA	1.17	1.17	
11	RMB	RMB	1.22	1.22	
12	CA1	CA1	0.77	0.77	
13	SSB	SSB	1.06	1.06	
14	RMC	RMC	1.27	1.27	
15	CC2	CC2	1.12	1.12	
16	SSB	SSB	1.06	1.06	
17	RMA	RMA	1.17	1.17	
TOTALS					<u>1</u>

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
 THE ORCHARD NURSING AND REHABILITATION CENTRE  
 AUDIT #13-4767  
 MDS DETAILED FINDINGS

MDS FINDINGS

SAMPLE SELECTION

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*

Physical Therapy

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

RUGS-II Classifications Overturned

In 1 instance, the RUG classifications were overturned. 1

*10 NYCRR §86-2.10, Volume A-2*

**OFFICE OF THE MEDICAID INSPECTOR GENERAL  
THE ORCHARD NURSING AND REHABILITATION CENTRE  
AUDIT #13-4767  
ANALYSIS OF PROVIDER RESPONSE**

Sample #	Finding	Provider Response	Accepted/Denied	Explanation
1	O0400C Physical Therapy	<ul style="list-style-type: none"> <li>• Nursing Progress Note dated 07/13/12</li> <li>• Physician Orders</li> <li>• Physical Therapy Evaluation</li> <li>• Physical Therapy Progress Notes</li> <li>• Resident Care Plan</li> <li>• Physical Therapy Recertification</li> <li>• Physical Therapy Discharge Note</li> <li>• Rehabilitation Treatment Log</li> <li>• PT Note dated 07/13/12</li> </ul>	Denied	<p>MDS with ARD 07/19/12 claimed Physical Therapy 5 days/150 minutes Documentation does not support the medical need for skilled Physical Therapy services.</p> <p>See MDS Manual - section O.</p>
9	O0400B Occupational Therapy		Accepted	Disallowance was reversed and will not be included in the final report.