



Office of the
Medicaid Inspector
General

DENNIS ROSEN
Medicaid Inspector General

Audit of Claims for Vaccine and Administration Procedure Codes Billed Inappropriately for the Vaccines for Children Program Paid from January 1, 2014 to December 31, 2018

Final Audit Report
Audit #: 2019Z64-103Q

Chenango Memorial Hospital, Inc.

Provider ID #: 00314723



Office of the
Medicaid Inspector
General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

March 5, 2020

Chenango Memorial Hospital, Inc.
179 N. Broad Street
Norwich, New York 13815-1019

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Dear Provider:

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Chenango Memorial Hospital, Inc. (Provider).

In accordance with Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York Section 517.6, the attached Final Audit Report represents the final determination on the issues found during OMIG's audit.

The Provider did not respond to OMIG's August 8, 2019 Draft Audit Report. As a result, the overpayments identified in this Final Audit Report remain unchanged from those cited in the Draft Audit Report. The total amount due is \$1,429.96, inclusive of interest.

To obtain the password for the enclosed disc, please email [REDACTED] If you have any questions or comments concerning this report, please contact [REDACTED] or through email at [REDACTED] Please refer to audit number 2019Z64-103Q in all correspondence.

[REDACTED]
System Match and Recovery
Division of Systems Utilization and Review
Office of the Medicaid Inspector General

Enclosure
Certified Mail #: 7014 0510 0000 4165 7137
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Background, Objective, and Audit Scope

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 Office of Mental Hygiene (Title 14 of the New York Codes Rules and Regulations), DOH's Medicaid Provider Manuals and *Medicaid Update* publications.

The VFC Program is a federal initiative which provides certain vaccines to states for distribution to their Medicaid population under 19 years of age. As part of this initiative, Medicaid Providers are supplied with the vaccines free of charge. The administration fees for these free vaccines are reimbursed to the Medicaid Provider by the Medicaid Program. Medicaid Providers are directed to bill the specific vaccinations with the SL modifier, which specifically relates to the VFC Program.

The OMIG performed an audit of inappropriately billed Medicaid fee-for-service claims for certain vaccines administered to children and the respective administration procedure code. To accomplish this review, Medicaid claims for vaccine and administration procedure codes for the VFC Program with payment dates from January 1, 2014 to December 31, 2018 were reviewed.

Objective

The objective of this audit was to assess the Provider's adherence to applicable laws, regulations, rules, and policies governing the New York State Medicaid program and to determine if the Provider improperly billed for:

- the VFC administration fee for a vaccine that was billed in excess of the Medicaid amount allowed; and
- the VFC vaccine without the SL modifier.

Audit Scope

An audit of Medicaid claims for vaccine and administration procedure codes billed inappropriately for the VFC Program with payment dates included in the period beginning January 1, 2014 and ending December 31, 2018 was completed.

Please note that due to the implementation of the National Provider Identifier (NPI) on September 1, 2008, there may be multiple Provider Identification Numbers associated with the Primary Provider Identification Number. The NPI is linked to the Primary Provider Identification Number. The Primary Provider Identification Number is used for correspondence and recoupment.

Audit Findings

OMIG issued a Draft Audit Report to the Provider on August 8, 2019 that identified \$1,429.96 in Medicaid overpayments. The Provider did not respond to the Draft Audit Report. As a result, the overpayments identified in this Final Audit Report remain unchanged from those cited in the Draft Audit Report.

OMIG identified the following findings:

1. Vaccine and Administration Procedure Codes Billed Inappropriately for the VFC Program:

“By enrolling the provider agrees... “to submit claims for payment only for services actually furnished and which were medically necessary...”

18 NYCRR 504.3(e)

“By enrolling the provider agrees... that the information provided in relation to any claim for payment shall be true, accurate, and complete;”

18 NYCRR 504.3(h)

“By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department.”

18 NYCRR 504.3(i)

“Overpayment” is defined as “any amount not authorized to be paid under the medical assistance program, whether paid as a result of ...improper claiming... or mistake” and provides for the recovery of these overpayments by OMIG.

18 NYCRR 518.1(c)

Persons furnishing, or supervising the furnishing of, medical care, services or supplies are jointly and severally liable for any overpayments resulting from the furnishing of the care, services or supplies.

18 NYCRR 518.3(c)

Medicaid provider manuals state/require the following:

“Children under nineteen (19) years of age with Medicaid coverage are among children for whom the Federal government now supplies certain routine childhood vaccines at no cost to providers who are registered with the *Vaccines for Children (VFC) Program*. For Medicaid eligibles under nineteen (19) years of age, Medicaid will not reimburse providers for the cost of vaccine available through VFC without charge.”

eMedNY Physician Manual Policy Guidelines

Version 2008-2, p. 20;

Version 2015-3, p. 21;

Version 2015-4, p. 22

eMedNY Midwife Manual Policy Guideline

Version 2004-1, p. 14;

Version 2015-2, p. 14

“Children under nineteen (19) years of age with Medicaid coverage are among children for whom the Federal government now supplies certain routine childhood vaccines at no cost to providers who are registered with the Vaccines for Children (VFC) Program.

The vaccines available without charge are distributed in New York through the New York VFC Program, administered by the DOH. For Medicaid eligibles under nineteen (19) years of age, Medicaid will not reimburse providers for the cost of vaccine available through VFC without charge.”

eMedNY Nurse Practitioner Manual Policy Guidelines

Version 2006-1, p. 26;

Version 2015-1, p. 19;

Version 2015-2, p. 19

“ - SL State Supplied Vaccine: (Used to identify administration of vaccine supplied by the Vaccine for Children's Program (VFC) for children under 19 years of age). When administering vaccine supplied by the state (VFC program), you **must** append modifier – SL State Supplied Vaccine to the procedure code number representing the vaccine administered. Omission of this modifier on claims for recipients under 19 years of age will cause your claim to deny.”

eMedNY Physician Manual Procedure Codes: Medicine and Drugs

Version 2013-1, p. 13;

Version 2014-1, p. 13;

Version 2015-2, p. 17;

Version 2016-1, p. 14;

Version 2017-1, p. 14;

Version 2018-1, p. 14

eMedNY Midwife Manual Procedure Codes

Version 2013-1, p. 5;

Version 2014-1, p. 6;

Version 2015-1, p. 7;

Version 2015-2, p. 6;

Version 2016-1, p. 5-6;

Version 2017-1, p. 5-6;

Version 2018-1, p. 5-6

eMedNY Nurse Practitioner Manual Procedure Codes

Version 2013-1, p. 6;

Version 2014-1, p. 6;

Version 2015-1, p. 8;

Version 2015-2, p. 7;

Version 2016-1, p. 7;

Version 2017-1, p. 7

eMedNY Ordered Ambulatory Manual Procedure Codes

Version 2013-1, p. 40;

Version 2014-1, p. 40;

Version 2015-1, p. 43-44;

Version 2016-1, p. 42-43;

Version 2017-1, p. 37;

Version 2018-1, p.37

"To meet the reporting requirements of immunization registries, vaccine distribution programs, and reporting systems (eg, Vaccine Adverse Event Reporting System) the exact vaccine product administered needs to be reported with modifier -SL. Multiple codes for a particular vaccine are provided in CPT when the schedule (number of doses or timing) differs for two or more products of the same vaccine type (eg, hepatitis A, Hib) or the vaccine product is available in more than one chemical formulation, dosage, or route of administration."

eMedNY Physician Manual Procedure Codes: Medicine and Drugs

Version 2013-1, p. 41;

Version 2014-1, p. 41;

Version 2015-2, p. 48;

Version 2016-1, p. 41;

Version 2017-1, p. 41;

Version 2018-1, p. 41

eMedNY Midwife Manual Procedure Codes

Version 2013-1, p. 32;

Version 2014-1, p. 34;

Version 2015-1, p. 37-38;

Version 2015-2, p. 35;

Version 2016-1, p. 34;

Version 2017-1, p. 33;

Version 2018-1, p.33

eMedNY Nurse Practitioner Manual Procedure Codes

Version 2013-1, p. 34;

Version 2014-1, p.34;

Version 2015-1, p. 38;

Version 2015-2, p. 34;

Version 2016-1, p. 34;

Version 2017-1, p. 33

"For administration of vaccines supplied by VFC, **including influenza and pneumococcal administration**, providers will be required to bill **vaccine administration** code **90460**. Providers **must continue to bill the specific vaccine code with the "SL"** modifier on the claim (payment for "SL" will be \$0.00). If an administration code is billed without a vaccine code with "SL", the claim will be denied. For reimbursement purposes, the administration of the components of a combination vaccine will continue to be considered as one vaccine administration. More than one vaccine administration is reimbursable under 90460 on a single date of service."

DOH Medicaid Update December 2012 Vol. 28, No. 14

As a result of this finding, OMIG has determined that **\$1,229.14** (Attachment A) was inappropriately billed to Medicaid, resulting in Medicaid 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, using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest of **\$200.82** (Attachment A) is now owed.

Based on this determination, the total amount due to DOH, as defined in 18 NYCRR Section 518.1, is **\$1,429.96** (Attachment A), inclusive of interest.

Do not submit claim voids or adjustments in response to this Final Audit Report. Repayment instructions are outlined on the next page.

Repayment Options

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 the 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 #: 2019Z64-103Q
Albany, New York 12237

Option #2: Enter into a repayment agreement with OMIG. If your repayment terms exceed 90 days from the date of the Final Audit Report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. 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. 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
Phone #: [REDACTED]
Fax #: [REDACTED]

Should you fail to select a payment option above, OMIG, in its discretion, may use any remedy allowed by law to collect the amount due. Pursuant to the State Finance Law Section 18(5), a collection fee equal to twenty two percent (22%) of the amount due, including interest, may be added to the amount owed. OMIG's remedies may include, without limitation, filing this Final Audit Report as the final administrative determination for purposes of obtaining a judgment lien pursuant to Section 145-a of the New York State Social Services Law; withholding Medicaid payments otherwise payable to the provider or its affiliates pursuant to 18 NYCRR Section 518.6; and imposing a sanction, pursuant to 18 NYCRR Section 515.2, against a provider who fails to reimburse the department for overpayments discovered by this audit.

Hearing Rights

The Provider 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 Provider 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]
[REDACTED]

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

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

Contact Information



Office Address:

New York State
Office of the Medicaid Inspector General
Division of Systems Utilization and Review
800 North Pearl Street
Albany, New York 12204

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

Chenango Memorial Hospital, Inc.
179 N. Broad Street
Norwich, New York 13815-1019

Provider ID #: 00314723

Audit #: 2019Z64-103Q


Amount Due: \$1,429.96

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:


New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Audit #: 2019Z64-103Q
Albany, New York 12237