NEW YORK STATE | Office of the Medicaid Inspector General

DENNIS ROSEN
Medicaid Inspector General

Audit of Retroactive Disenrollment Notifications Reported to OMIG Through December 31, 2018

Final Audit Report
Audit #: 19-4060

Independent Health Association, Inc.

Provider ID #: 01208997

NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

DENNIS ROSEN
Medicaid Inspector General

March 5, 2020

[redacted]
Independent Health Association, Inc.
511 Farber Lakes Drive
Buffalo, New York 14221

Re: Final Audit Report
Audit #: 19-4060
Provider ID #: 01208997

Dear [redacted]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Independent Health Association, Inc. (Plan).

In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York Section 517.6, this Final Audit Report represents the final determination on the issues found during OMIG's audit.

After reviewing the Plan's October 9, 2019 response to OMIG's July 31, 2019 Draft Audit Report, OMIG has reduced the overpayments identified in the Draft Audit Report from $84,756.68 to $83,092.05 in this Final Audit Report. Based on this determination, the final overpayment amount is $83,772.97, inclusive of interest. A detailed explanation can be found in the Audit Findings section of this report.

The attachments referred to in this Final Audit Report will be sent via the Health Commerce System (HCS). Please provide a contact person with a dedicated HCS account. If you have any questions, or to obtain your copy of the attachments via HCS, please contact [redacted] or through email at [redacted] Please refer to audit number 19-4060 in all correspondence.

[redacted]
Bureau of MC Audit & Program Reviews
Division of Medicaid Audit
Office of the Medicaid Inspector General

Attachments
Certified Mail Number: 7019 0700 0000 1672 2767
Return Receipt Requested

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Background, Objective, and Audit Scope

Background

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 Department of Mental Hygiene (Title 14 of the New York Codes, Rules and Regulations), DOH's Medicaid Provider Manuals, *Medicaid Update* publications, and the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

Section 3.6, Section 19.7 and Appendix H of the Contract provides OMIG, on behalf of DOH, the right to recover capitation payments paid to the Plan for enrollees listed on the monthly roster who are later determined, for the entire applicable payment month, to have been in an institution; to have been incarcerated; to have moved out of the Plan's service area; to have died; are simultaneously in receipt of comprehensive health care coverage from a managed care organization (MCO) and are enrolled in the Medicaid managed care product of the same MCO; or have been enrolled without their consent. DOH always has the right to recover duplicate capitation payments made under more than one Client Identification Number whether or not the Plan has made payments to providers.

Objective

The objective of this audit was to assess the Plan's adherence to applicable laws, regulations, rules and policies governing the New York State Medicaid program and to verify that:

- capitation payments made to the Plan for enrollees who were retroactively disenrolled from the Plan are recovered; and
- capitation payments were submitted in accordance with applicable rules and requirements.

Audit Scope

This audit identified instances where capitation payments were made to the Plan for enrollees who were retroactively disenrolled from the Plan for the entire applicable payment month. This audit included capitation payments made to the Plan with retroactive disenrollment notifications reported to OMIG through December 31, 2018.

Audit Findings

OMIG issued a Draft Audit Report to the Plan on July 31, 2019 that identified $84,756.68 in Medicaid overpayments due to capitation payments made to the Plan for enrollees who were retroactively disenrolled for the entire applicable payment month. The Plan's October 9, 2019 response (Attachment A) to the Draft Audit Report disputed eight of the claims identified. After reviewing the Plan's response to the Draft Audit Report, OMIG partially agreed with the Plan and removed two claims from the Final Audit Report findings. As a result, in this Final Audit Report, OMIG reduced the overpayments identified in the Draft Audit Report by $1,664.63 (Attachment B), from $84,756.68 to $83,092.05. Pursuant to Section 3.6, Section 19.7, and Appendix H of the Contract, and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York (18 NYCRR) Parts 517 and 518, OMIG, on behalf of DOH, may recover such 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 was calculated on the overpayments identified in this Draft Audit Report from April 8, 2019 through the date of the Draft Audit Report, July 31, 2019, using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest of $680.92 (Attachment C) is now owed.

The total amount of overpayment, as defined in 18 NYCRR Section 518.1(c), is $83,772.97, inclusive of interest. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of $83,092.05. Based on this determination, the remaining amount due to DOH is $680.92 (Attachment C).

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 this 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 #: 19-4060
Albany, New York 12237

Option #2: Enter into a repayment agreement with OMIG. If your repayment terms exceed 90 days from the date of this Final Audit Report, recoveries of amounts due are subject to interest charges at the Prime Rate plus two percent (2%). If the process of establishing the repayment agreement exceeds 20 days from the date of the final audit report, OMIG will impose a 50% withhold after 20 days until an agreement is established. 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. In addition, if you receive an adjustment in your favor while you owe funds to New York State, such adjustment will be applied against any amount owed. 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]

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 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 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]

If a hearing is held, the Plan may have a person represent it 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 its 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 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 Medicaid Audit
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.

NEW YORK STATE | Office of the Medicaid Inspector General

REMITTANCE ADVICE

Independent Health Association, Inc. **511 Farber Lakes Drive** **Buffalo, New York 14221**	**Provider ID #: 01208997** **Audit #: 19-4060**
Amount Due: $680.92	**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:

[redacted]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Audit #: 19-4060
Albany, New York 12237