



Office of the
Medicaid Inspector
General

ERIN E. IVES

Acting Medicaid Inspector General

Audit of Capitation Payments for Incarcerated Enrollees

**Final Audit Report
Audit #: 19-7034**

Independence Care System, Inc.

Provider ID #: 01865329



Office of the
Medicaid Inspector
General

ANDREW M. CUOMO
Governor

ERIN E. IVES
Acting Medicaid Inspector General

October 22, 2020

[REDACTED]
Independence Care System, Inc.
257 Park Avenue South, 2nd Floor
New York, New York 10010

Re: Final Audit Report
Audit #: 19-7034
Provider ID #: 01865329

Dear [REDACTED]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Independence Care System, Inc. (Plan).

In accordance with the Medicaid Managed Long Term Care Partial Capitation Model Contract and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York (18 NYCRR) Section 517.6, this Final Audit Report represents the final determination on the issues found during OMIG's audit.

The Plan's September 29, 2020 response to OMIG's August 20, 2020 Draft Audit Report stated that the Plan is in agreement with the Draft Audit Report findings. 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 \$11,601.58. 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 comments concerning this report, please contact [REDACTED] through email at [REDACTED]. Please refer to audit number 19-7034 in all correspondence.

[REDACTED]
Bureau of MC Audit and Program Reviews
Division of Medicaid Audit
Office of the Medicaid Inspector General

Attachments
Certified Mail Number: 7014 0510 0000 4164 0511
Return Receipt Requested

Table of Contents

Background	1
Objective	1
Audit Scope	1
Audit Findings	2
Hearing Rights	3
Contact Information	4
Attachments:	
A – Plan Response	
B – Final Report Overpayments	

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 Long Term Care Partial Capitation Model Contract (Contract).

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Article VI (F)(1) (Department Right to Recover Premiums and Contractor Duty to Repay), Article VIII (P) (OMIG Audit Authority), the OMIG, on behalf of DOH, 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.

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 identify and recover:

- capitation payments made to the Plan for an enrollee who was incarcerated for an entire payment month

Audit Scope

This audit reviewed Medicaid Managed Care capitation payments for incarcerated enrollees whose incarceration data was received by OMIG between January 1, 2018 and March 4, 2020.

Audit Findings

The OMIG issued a Draft Audit Report to the Plan on August 20, 2020 that identified \$11,601.58 in Medicaid overpayments for a managed care enrollee that was determined to be incarcerated for a full payment month. The Plan's September 29, 2020 response (Attachment A) to the Draft Audit Report stated that the Plan is in agreement with the Draft Audit Report findings. As a result, the overpayments identified (Attachment B) in this Final Audit Report remain unchanged from those cited in the Draft Audit Report. Pursuant to Article VI and Article VIII of the Contract, and Title 18 of the NYCRR Parts 517 and 518, OMIG, on behalf of DOH, may recover such overpayments.

Based on this determination, the total amount due to DOH, as defined in 18 NYCRR Section 518.1, is \$11,601.58. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$11,601.58. Therefore, there is no remaining amount due to DOH (Attachment B).

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:

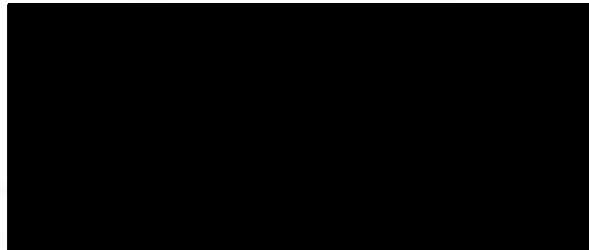
General Counsel
New York State
Office of the Medicaid Inspector General
Office of Counsel
800 North Pearl Street
Albany, New York 12204

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.