NEW YORK STATE | Office of the Medicaid Inspector General

ERIN E. IVES
Acting Medicaid Inspector General

Audit of Claims for OASAS Outpatient Chemical Dependence Services Billed in Excess of APG Category-Specific Medicaid Billing Parameters Paid From September 1, 2014 to December 31, 2017

Final Audit Report
Audit #: 20-5777

Alcoholism Council Schenectady County

Provider ID #: 00595799

NEW YORK STATE | Office of the Medicaid Inspector General

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December 30, 2020

[redacted]
Alcoholism Council Schenectady County
728 State Street
Schenectady, New York 12307-1206

Final Audit Report
Audit #: 20-5777
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Dear Provider:

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Alcoholism Council Schenectady County(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.

After reviewing the Provider's response to OMIG's September 2, 2020 Revised Draft Audit Report, OMIG has reduced the overpayments identified in the Revised Draft Audit Report from $47,152.76 to $3,216.89 in this Final Audit Report. Based on this determination, the total amount due is $3,216.89, including interest to date. A detailed explanation can be found in the Audit Findings section of this report.

To obtain the password for the enclosed disc, please email [redacted] If you have any questions or comments concerning this report, please contact me at [redacted] or through email at [redacted]. Please refer to audit number 20-5777 in all correspondence.

[redacted]
Division of Medicaid Audit
Office of the Medicaid Inspector General

Enclosure
Certified Mail #: 7015-0640-0002-9036-3970
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 Office of Mental Hygiene (Title 14 of the New York Codes Rules and Regulations), DOH's Medicaid Provider Manuals and *Medicaid Update* publications.

Outpatient chemical dependence programs provide individuals with a diagnosis of chemical dependence services that include medical evaluation, clinical care management, and clinical and rehabilitation services. Outpatient chemical dependence services are provided in either hospital-based or free-standing settings. Regardless of the setting in which they are provided, these services must be furnished in one of two distinct programs: an outpatient chemical dependence clinic program or an outpatient chemical dependence rehabilitation program. The specific standards and criteria for chemical dependence clinics are outlined in Title 14 NYCRR Part 822 and Title 18 NYCRR Section 505.27. The MMIS Provider Manual for Clinics also provides program requirements for claiming Medicaid reimbursement for chemical dependence services.

OMIG performed an audit of NYS Office of Addiction Supports and Services (OASAS) outpatient chemical dependence services billed in excess of APG category-specific Medicaid billing parameters.

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:

- recover portions of OASAS outpatient chemical dependence claims in which the daily allowable procedure limit was exceeded

Audit Scope

An audit of OASAS outpatient chemical dependence services with payment dates included in the period beginning September 1, 2014 and ending December 31, 2017 was completed.

Audit Findings

OMIG issued a Revised Draft Audit Report to the Provider on September 2, 2020 that identified $47,152.76 in Medicaid overpayments. After reviewing the Provider's response to the Revised Draft Audit Report, OMIG reduced the overpayments identified in this Final Audit Report by $43,935.87, from $47,152.76, to $3,216.89.

OMIG identified the following findings:

OASAS Outpatient Chemical Dependence Services Billed in Excess of APG Category-Specific Medicaid Billing Parameters

For Medicaid reimbursement, the APG reimbursement methodology has replaced the threshold visit reimbursement system for OASAS certified clinic and rehabilitation programs, opiate treatment, and outpatient chemical dependency for youth programs. The APG payment methodology pays differential amounts for ambulatory care services based on the resources required for each service provided during a patient visit. In addition, APGs: support discrete Medicaid reimbursement for some chemical dependence services that were not previously billable; and, allow for some services that are integral to the treatment of patients in chemical dependency treatment such as mental and physical health services. Under APGs, providers must use certain APG-specific CPT and HCPCS codes to bill Medicaid and, providers may, for the same patient on the same visit date, be able to bill Medicaid for multiple services. While a provider can provide multiple services in the same day, there are APG category-specific Medicaid billing parameters that providers must understand. These parameters set a limit of one service per day for certain types of APG service categories. The types of services that fall under the one-per-day limitation include the following: Group Counseling, Individual Counseling, Admission Assessments, Intensive Outpatient Services, Outpatient Rehabilitation Services, Brief Treatments, Brief Interventions, Medication Administration and Observations, Medication Managements, and Screenings. In addition to those limits, Medicaid rules also state that a provider cannot bill an Intensive Outpatient Service or Outpatient Rehabilitation Service in conjunction with any other services.

> Admission assessment services. Admission assessment services consist of three levels of billable services: brief assessment, normative assessment and extended assessment. No more than one admission assessment visit may be billed for any patient per day. No more than three admission assessment visits may be billed for any patient within an episode of care. No single program may bill for more than one extended assessment, under any circumstances, within an episode of care.
>
> *14 NYCRR 841.14(i)(1) (previously 14 NYCRR 822-3.1(h)(1))*

> Brief intervention. No more than one brief intervention may be billed for any patient per day. No single program may bill more than three pre-admission brief intervention services for any patient within an episode of care. The program must document 15 minutes of face-to-face contact with the patient.
>
> *14 NYCRR 841.14(i)(2) (previously 14 NYCRR 822-3.1(h)(2))*

> Brief treatment. No more than one brief treatment may be billed for any patient per day. The program must document at least 15 minutes of face-to-face contact with the patient.
>
> *14 NYCRR 841.14(i)(3) (previously 14 NYCRR 822-3.1(h)(3))*

Group counseling. No more than one group counseling service may be billed for any patient per day. The program must document at least 60 minutes of face-to-face contact with the patient.

14 NYCRR 841.14(i)(6) (previously 14 NYCRR 822-3.1(h)(6))

Individual counseling. No more than one individual counseling service may be billed for any patient per day...

14 NYCRR 841.14(i)(7) (previously 14 NYCRR 822-3.1(h)(7))

Intensive outpatient services (IOS). No more than six weeks of IOS may be billed for any patient. However, additional IOS may be provided, if during the final week of scheduled IOS, clinical staff document in the treatment/recovery plan that additional IOS are clinically necessary and appropriate. The program must document a minimum of nine scheduled service hours per week to be provided in increments of at least three hours per day. Where a patient fails to receive a full daily increment of services, a program may bill for delivery of any services defined in Part 822 of this Title.

14 NYCRR 841.14(i)(8) (previously 14 NYCRR 822-3.1(h)(8))

APG Service Category: Intensive Outpatient Service (IOS)
APG CPT/HCPCS Billing Code
S9480 – Intensive Outpatient psychiatric services, per diem.

OASAS APG Medicaid Policy and Medicaid Billing Guidance, February 2018
Section 4 Service Categories and Guidance

Medication administration and observation. No more than one medication administration and observation service may be billed for any patient per day. This service may be of any duration. The program must document face-to-face contact with the patient."

14 NYCRR 841.14(i)(9) (previously 14 NYCRR 822-3.1(h)(9))

Medication management... No more than one medication management service may be billed for any patient per day...

14 NYCRR 841.14(i)(10) (previously 14 NYCRR 822-3.1(h)(10))

Outpatient rehabilitation services. No more than one outpatient rehabilitation service may be billed for any patient per day. Programs that provide outpatient rehabilitation services may also bill for medication administration and observation, medication management, complex care coordination, peer support services and collateral visits consistent with the standards set forth in this subdivision. Programs may not bill for any other service categories while a patient is admitted to the outpatient rehabilitation service...

14 NYCRR 841.14(i)(11) (previously 14 NYCRR 822-3.1(h)(11))

Screening. No more than one screening may be billed for any patient within an episode of care. The program must document at least 15 minutes of face-to-face contact with the patient.

14 NYCRR 841.14(i)(13)(previously 14 NYCRR 822-3.1(h)(13))

Exhibit 1 is a list of claims that were improperly billed to Medicaid, as they exceeded the above one-per-day limitations. These resulted in overpayments in the amount of **$2,742.76.**

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 Revised Draft Audit Report, using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest of **$474.13** (Exhibit 1) is now owed.

Based on this determination, the total amount due to DOH, as defined in 18 NYCRR Section 518.1, is **$3,216.89** (Exhibit 1), including interest to date.

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, money order, or OMIG's Online Payment Portal 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, should include the audit number on the memo line, and be mailed with the attached remittance advice to:

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]
Email: [redacted]

- If you elect to pay electronically through OMIG's Online Payment Portal, please visit [redacted] or contact OMIG's Bureau of Collections Management by telephone or email, at the above number or address.

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's acceptance of a 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, by telephone or email, as provided above.

Should you fail to select a payment option above within 20 days of the date of this Report, OMIG will initiate recoupment by withholding all or a part of your payments otherwise payable, in accordance with 18 NYCRR 518.6. Additionally, OMIG reserves the right to 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.

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]

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 Medicaid Audit
259 Monroe Avenue, Suite 312
Rochester, New York 14607

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

Alcoholism Council Schen Cnty
728 State Street
Schenectady, New York 12307-1206

Provider ID #: 00595799

Audit #: 20-5777

Amount Due: $3,216.89

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 Office of the Medicaid Inspector General
Bureau of Collections Management
800 North Pearl Street
Albany, New York 12204
Phone #: [redacted]
Fax #: [redacted]
Email: [redacted]

If you elect to pay electronically through OMIG's Online Payment Portal, please visit [redacted] or contact OMIG's Bureau of Collections Management by telephone or email, at the above number or address.