



Office of the  
Medicaid Inspector  
General

FRANK T. WALSH, JR.  
Acting Medicaid Inspector General

# **Audit of Capitation Payments for Deceased Managed Care Enrollees**

---

**Final Audit Report  
Audit #: 20-6468**

## **Independence Care System, Inc.**

---

**Provider ID #: 01865329**



**Office of the  
Medicaid Inspector  
General**

**ANDREW M. CUOMO**  
Governor

**FRANK T. WALSH, JR.**  
Acting Medicaid Inspector General

May 20, 2021

[REDACTED]  
Independence Care System, Inc.  
25 Elm Place  
Brooklyn, New York 11201

Re: Final Audit Report  
Audit #: 20-6468  
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 January 26, 2021 response to OMIG's November 5, 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 \$12,394.90. 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] [REDACTED] through email at [REDACTED]. Please refer to audit number 20-6468 in all correspondence.

Attachments  
Certified Mail Number: 7019-1120-0001-4888-1872  
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 Part 518 and pursuant to the Contract, Article VI, F (1) (Department Right to Recover Premiums) and Article VIII, P (OMIG Audit Authority), the OMIG, on behalf of the Department, has a right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to be deceased.

### Objective

The objective of this audit is 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 subsequent to an enrollee's month of death

### Audit Scope

This audit reviewed Medicaid Managed Care capitation payments for deceased enrollees whose dates of death were received by OMIG between August 1, 2019 and July 31, 2020.

## Audit Findings

---

The OMIG issued a Draft Audit Report to the Plan on November 5, 2020 that identified \$12,394.90 in Medicaid overpayments for months subsequent to an enrollee's month of death. The Plan's January 26, 2021 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 \$12,394.90 (Attachment B). Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$12,394.90. 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]

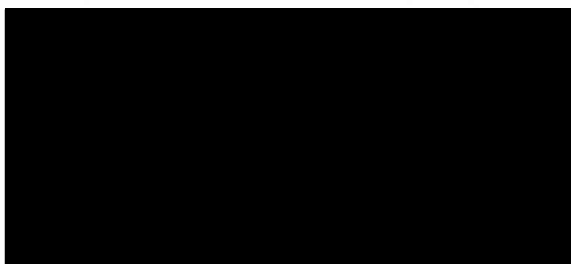
If a hearing is held, the Plan may have a person represent it or the Plan may represent itself. If the Plan chooses to be represented by someone other than an attorney, the Plan must supply along with its hearing request a signed authorization permitting that person to represent the Plan at the hearing; 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.