NEW YORK STATE | Office of the Medicaid Inspector General

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

Audit of Claims for Diagnostic and Treatment Center Services

Final Audit Report
Audit #: 19-2492

Planned Parenthood of the North Country New York, Inc.

Provider ID #: 02995559
NPI #: 1407907215

NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

May 20, 2021

[redacted]
Planned Parenthood of the North Country New York, Inc.
160 Stone Street
Watertown, New York 13601

Re: Final Audit Report
Audit #: 19-2492
Provider ID #: 02995559

Dear [redacted]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Planned Parenthood of the North Country New York, Inc. (Provider).

In accordance with Sections 30, 31 and 32 of the New York State Public Health Law, and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York (NYCRR) Parts 504 and 517, OMIG performed an audit of Diagnostic and Treatment Center (DTC) Services claims paid to the Provider from January 1, 2014, through December 31, 2016. The audit universe consisted of 10,013 claims totaling $1,884,311.86. The audit consisted of a random sample of 100 claims with Medicaid payments totaling $16,601.49 (Attachment A).

OMIG has attached the sample detail for the paid claims determined to be in error. This Final Audit Report incorporates consideration of any additional documentation and information presented in the Provider's response to the Draft Audit Report dated December 30, 2019. The point estimate overpaid is $451,900. The lower confidence limit of the amount overpaid is $290,405. We are 95% certain that the actual amount of the overpayment is greater than the lower confidence limit. This audit may be settled through repayment of the lower confidence limit of $290,405.

If you have any questions or comments concerning this report, please contact [redacted] or through email at [redacted]. Please refer to audit number 19-2492 in all correspondence.

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

Attachments
Certified Mail Number: 7011-2970-0002-2621-2606
Return Receipt Requested

Table of Contents

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), the regulations of the Education Department (Title 8 of the New York Codes Rules and Regulations), DOH's Medicaid Provider Manuals and *Medicaid Update* publications.

A certified Diagnostic and Treatment Center (DTC) is a medical facility providing one or more health services to out-of-hospital or ambulatory patients by or under the supervision of a physician or dentist. It is not part of an inpatient hospital facility or vocational rehabilitation center. In accordance with Article 28 of the NYS Public Health Law and/or Article 31 of the Mental Hygiene Law, a DTC is primarily engaged in providing services for the prevention, diagnosis, or treatment of human disease, pain, injury, or physical condition. The specific standards and criteria for DTC services are mainly found in various parts of 10 NYCRR Chapters II and V; 18 NYCRR Chapter II; and the New York State Medicaid Program "Provider Manual Policy Guidelines for Article 28, Certified Clinics".

Objective

The objective of this audit was to assess Planned Parenthood of the North Country New York, Inc.'s (Provider) adherence to applicable laws, regulations, rules and policies governing the New York State Medicaid program and to verify that:

- Medicaid reimbursable services were rendered for the dates billed;
- appropriate rate codes were billed for services rendered;
- patient related records contained the documentation required by the regulations; and,
- claims for payment were submitted in accordance with applicable rules and requirements.

Audit Scope

A review of diagnostic and treatment center claims paid to the Provider by Medicaid for payment dates included in the period beginning January 1, 2014, and ending December 31, 2016, was completed.

The audit universe consisted of 10,013 claims totaling $1,884,311.86. The audit sample consisted of 100 claims totaling $16,601.49 (Attachment A).

Regulations of General Application

Each audit finding is supported by relevant regulations, policy statements and manuals. In addition, the audit findings in this audit are supported by regulations of general application to the Medicaid program. These regulations are provided below.

"By enrolling the provider agrees: (a) to prepare and to maintain contemporaneous records demonstrating its right to receive payment . . . and to keep for a period of six years from the date the care, services or supplies were furnished, all records necessary to disclose the nature and extent of services furnished and all information regarding claims for payment submitted by, or on behalf of, the provider . . . (e) to submit claims for payment only for services actually furnished and which were medically necessary or otherwise authorized under the Social Services Law when furnished and which were provided to eligible persons; (f) to submit claims on officially authorized claim forms in the manner specified by the department in conformance with the standards and procedures for claims submission; . . . (h) that the information provided in relation to any claim for payment shall be true, accurate and complete; and (i) to comply with the rules, regulations and official directives of the department." *18 NYCRR Section 504.3*

"Fee-for-service providers. (1) All providers ... must prepare and maintain contemporaneous records demonstrating their right to receive payment under the medical assistance program. All records necessary to disclose the nature and extent of services furnished and the medical necessity therefor ... must be kept by the provider for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later. (2) All information regarding claims for payment submitted by or on behalf of the provider is subject to audit for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later, and must be furnished, upon request, to the department ... for audit and review." *18 NYCRR Section 517.3(b)*

"All bills for medical care, services and supplies shall contain: (1) patient name, case number and date of service; (2) itemization of the volume and specific types of care, services and supplies provided (including for a physician, his final diagnosis, and for drugs, the prescription filled); (3) the unit price and total cost of the care, services and supplies provided; . . . and (8) a dated certification by the provider that the care, services and supplies itemized have in fact been furnished; that the amounts listed are due and owing; . . . that such records as are necessary to disclose fully the extent of care, services and supplies provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years from the date of payment; . . . and that the provider understands that payment and satisfaction of this claim will be from Federal, State and local public funds and that he or she may be prosecuted under applicable Federal and State laws for any false claims, statements or documents, or concealment of a material fact provided...." *18 NYCRR Section 540.7(a)(1)-(3) and (8)*

"An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake." *18 NYCRR Section 518.1(c)*

"Vendor payments for medical care and other items of medical assistance shall not be made unless such care or other items of assistance have been furnished on the basis of the appropriate authorization prescribed by the rules of the board and regulations of the department."

18 NYCRR Section 540.1

"The department may require repayment from the person submitting an incorrect or improper claim, or the person causing such claim to be submitted, or the person receiving payment for the claim."
18 NYCRR Section 518.3(a)

"The department may require repayment for inappropriate, improper, unnecessary or excessive care, services or supplies from the person furnishing them, or the person under whose supervision they were furnished, or the person causing them to be furnished...." *18 NYCRR Section 518.3(b)*

"Medical care, services or supplies ordered or prescribed will be considered excessive or not medically necessary unless the medical basis and specific need for them are fully and properly documented in the client's medical record." *18 NYCRR Section 518.3(b)*

Audit Findings

OMIG issued a Draft Audit Report to the Provider on December 30, 2019. This Final Audit Report incorporates consideration of any additional documentation and information presented in the Provider's response to the Draft Audit Report dated February 17, 2020. A description of each finding, regulations, and the list of samples supporting each finding, appear below. Each sample may contain more than one error, and may be listed in more than one category of finding. A sample may only be disallowed once in an audit, however, each sample is subject to disallowance based on a single error.

Summary of Extrapolated Findings

Error Description	Number of Errors
Incorrect Servicing Provider on Claim	25
Medical Entry Not Signed and Dated	8
Failed to Maximize Third Party and/or Medicare Benefit	1

Extrapolated Findings Detail

OMIG's review of Medicaid claims paid to the Provider from January 1, 2014, through December 31, 2016, identified 27 claims with at least one error, for a total sample overpayment of $4,513.13 (Attachment C).

1. Incorrect Servicing Provider on Claim

"By enrolling the provider agrees: . . . (h) that the information provided in relation to any claim for payment shall be true, accurate and complete;..." *18 NYCRR Section 504.3(h)*

"Patient records must reflect who actually provided the necessary service to the . . . patient." *Policy Guidelines Manual for Article 28 Certified Clinics, Version 2007-2, Section I*

In 25 instances pertaining to 25 patients, the servicing practitioner's name on the claim did not match the name of the practitioner who signed the medical entry. This finding applies to Sample #s 11, 12, 19, 22, 24, 25, 28, 29, 30, 33, 36, 37, 38, 41, 52, 56, 61, 70, 73, 74, 75, 82, 90, 93 and 100.

2. Medical Entry Not Signed and Dated

"The operator shall: . . . (f) ensure that entries in the medical record are current, legible, signed and dated by the person making the entry;..." *10 NYCRR Section 751.7(f)*

In 8 instances pertaining to 8 patients, the practitioner did not sign and date the entry in the medical record. This finding applies to Sample #s 19, 27, 33, 37, 70, 72, 74 and 75.

3. Failed to Maximize Third Party and/or Medicare Benefit

"MA program as payment source of last resort. Where a third party . . . has a legal liability to pay for MA-covered services on behalf of a recipient, the department . . . will pay only the amount by which the MA reimbursement rate for the services exceeds the amount of the third party liability . . . The department . . . will seek reimbursement for any payments for care and services it makes for which a third party is legally responsible." *18 NYCRR Section 360-7.2*

"(e)(1) As a condition of payment, all providers of medical assistance must take reasonable measures to ascertain the legal liability of third parties to pay for medical care and services. (2) No claim for reimbursement shall be submitted unless the provider has: (i) investigated to find third-party resources in the same manner and to the same extent as the provider would to ascertain the existence of third-party resources for individuals for whom reimbursement is not available under the medical assistance program; and (ii) sought reimbursement from liable third parties." *18 NYCRR Section 540.6(e)(1) & (2)*

"The Medicaid Program is designed to provide payment for medical care and services only after all other resources available for payments have been exhausted; Medicaid is the payer of last resort." *Information for all Providers - General Policy, Version 2011-2, Section I*

"Billing Providers must bill all applicable insurance sources before submitting claims to Medicaid...

Record Keeping

Providers must maintain appropriate financial records supporting . . . receipt of funds and application of monies received. Such records must be readily accessible . . . for audit purposes."

Information for all Providers - General Policy, Version 2011-2, Section I

In 1 instance, an incorrect co-payment was billed to Medicaid. This finding applies to Sample # 90.

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

If you choose not to settle this audit through repayment of the lower confidence limit, you have the right to challenge these findings by requesting an administrative hearing where OMIG would seek and defend the point estimate of $451,900. As allowed by state regulations, you must make your request for a hearing, in writing, within sixty (60) days of the date of this report to:

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

Questions regarding the request for a hearing should be directed to Office of Counsel, at [redacted]

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 a hearing is held, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply along with your hearing request a signed authorization permitting that person to represent you at the hearing; you may call witnesses and present documentary evidence on your 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
221 South Warren Street, Suite 410
Syracuse, New York 13202

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

[redacted]
Planned Parenthood of the North Country New York, Inc.
160 Stone Street
Watertown, New York 13601

Provider ID #: 02995559

Audit #: 19-2492

Amount Due: $290,405.00

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.