



Office of the  
Medicaid Inspector  
General

ANDREW M. CUOMO  
Governor

FRANK T. WALSH, JR.  
Acting Medicaid Inspector General

# **Review of Capitation Payments When New York State Paid Fee for Service Long-Term Care Services During the Capitation Period**

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**Final Audit Report  
Audit #: 19-5195**

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**North Shore – LIJ Health Plan Inc.**

**Plan ID #: 03580307**



Office of the  
Medicaid Inspector  
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Acting Medicaid Inspector General

August 19, 2021

[REDACTED]  
North Shore LIJ Health Plan, Inc.  
2200 Northern Boulevard, Suite 104  
East Hills, New York 11548

Re: Final Audit Report  
Audit #: Audit # 19-5195  
Provider ID #: 03580307

[REDACTED]  
This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for North Shore LIJ Health Plan, 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 July 20, 2021 response to OMIG's April 29, 2021 Draft Audit Report stated that the Plan does not disagree 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 \$58,692.98. 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 attachment via HCS, please contact [REDACTED] or through email at [REDACTED]. Please refer to audit number 19-5190 in all correspondence.

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

Attachments  
Certified Mail Number: 7021 0350 0000 6247 2085  
Return Receipt Requested  
Delete if No Cc is Needed

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## Background, Objective, and Audit Scope

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### 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 Plans of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at assessing Plan 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 Plan Manuals, Medicaid Managed Long-Term Care Contracts and Medicaid Update publications.

Managed long-term care is a system that streamlines the delivery of long-term services to people who are chronically ill or disabled and who wish to stay in their homes and communities. These services, such as home care or adult day care, are provided through MLTC Plans that are approved by the New York State Department of Health. The entire array of services to which an enrolled member is entitled can be received through the MLTC plan the member has chosen.

### 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, as well as compliance with the Contracts.

### Audit Scope

This review is being conducted due to Medicaid eligibility and/or retro enrollment / disenrollment issues which resulted in New York State making long term care fee for service Medicaid payments for services which are included in the Plan's scope of benefits. These fee for service payments were for dates of service in which the Plan was paid a capitation payment. The review's scope was limited to the enrollees and dates as outlined in Attachment A (Review Scope – Capitations under Review). OMIG reviewed the Plan's long term care service payments to ensure the Plan provided services required for the months that the Plan received a capitation payment and/or to ensure a provider did not receive duplicate payments from both the Plan and New York State Fee for Service Medicaid for the same dates of service to the same enrollee.



## Regulations and Contracts of General Application

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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; ... (i) to comply with the rules, regulations and official directives of the department."

*18 NYCRR Section 504.3*

"The inspector shall have the following functions, duties and responsibilities: ... (9) to require and compel the production of such books, papers, records and documents as may be deemed to be relevant or material to an investigation, examination or review."

*NY Public Health Law Section 32(9)*

"...OMIG may review and audit contracts, cost reports, claims, bills and all other expenditures of medical assistance program funds to determine compliance with federal and state laws and regulations and take such corrective actions as are authorized by federal or state laws and regulations."

*Managed Long-Term Care Partial Capitation Contract,  
Article VIII, Section P*

"The Contractor shall preserve and retain all records relating to Contractor performance under this Contract in readily accessible form during the term of this Contract and for a period of six (6) years thereafter. All provisions of this Contract relating to record maintenance and audit access shall survive the termination of this Contract and shall bind the Contractor until the expiration of a period of six (6) years commencing with termination of this Contract or if an audit is commenced, until the completion of the audit, whichever occurs later."

*2015 Contract, Article VIII, Section E  
2012 Contract, Article VIII, Section D*

"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)*

“...the Department may recover premiums in all cases where no services are provided during the applicable period, unless the Contractor demonstrates that it was at risk for provision of medical services for any portion of the payment period. Instances where the Contractor is not at risk include, but are not necessarily limited to, circumstances where the enrollee was not eligible for services, or where providers in fact refused or failed to render any services. ...”

*Managed Long-Term Care Partial Capitation Contract,  
Article VI, F(1), effective January 1, 2015*

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## Audit Findings

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OMIG's preliminary findings are as follows, for 7 capitation payments the Plan received appropriate capitation payments and made payments to providers for long term care service. For 14 capitation payments Medicaid eligibility and/or retro enrollment / disenrollment issues resulted in the Plan receiving inappropriate capitation payments. For these capitation payments all the enrollee's long care services were paid by the NYS Medicaid Fee for Service. These services were included in the Plan's scope of benefits.

The total amount of overpayment, as defined in 18 NYCRR Section 518.1, is \$58,692.98. (Attachment B).

## Repayment Options

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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

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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.

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## Contact Information

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Office Address:

New York State  
Office of the Medicaid Inspector General  
Division of Medicaid Audit  
800 N. Pearl St  
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.



Office of the  
Medicaid Inspector  
General

## REMITTANCE ADVICE

North Shore LIJ Health Plan, Inc.  
2200 Northern Boulevard, Suite 104  
East Hills, New York 11548

Provider ID #: 03580307

Audit #: 19-5195

Amount Due: \$58,692.98

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.