



Office of the
Medicaid Inspector
General

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

Audit of Multiple Client Identification Numbers for Enrollees in the Same Managed Care Plan

**Final Audit Report
Audit #: 21-5389**

Highmark Western and Northeastern New York, Inc.

Provider ID #: 01249265



Office of the
Medicaid Inspector
General

KATHY HOCHUL
Governor

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

April 28, 2022

[REDACTED]
[REDACTED]
Highmark Western and Northeastern New York, Inc.
257 West Genesee Street
Buffalo, New York 14202-2657

Re: Final Audit Report
Audit #: 21-5389
Provider ID #: 01249265

Dear [REDACTED]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Highmark Western and Northeastern New York, Inc. (Plan).

In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (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.

After reviewing the Plan's November 12, 2021 response to OMIG's October 21, 2021 Draft Audit Report, OMIG has reduced the overpayments identified in the Draft Audit Report from \$77,645.16 to \$62,695.51 in this Final Audit Report. Based on this determination, the final overpayment amount is \$62,695.51. 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 attachments via HCS, please contact [REDACTED] through email at [REDACTED]. Please refer to audit number 21-5389 in all correspondence.

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

Attachments
Certified Mail Number: 7021 2720 0000 9234 5563
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 – Paid Appropriate	
C – 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 Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, Section 3.6 (SDOH Right to Recover Premiums), Section 19.7 (OMIG Audit Authority) and Appendix H, the OMIG, on behalf of DOH, has the right to recover premiums paid for persons enrolled in the Medicaid Managed Care program under more than one CIN whether or not the MCO has made payments to providers.

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 verify that:

- the Plan is not in receipt of capitation payments for an individual who was enrolled in the same MCO under a different CIN for the same payment month; and
- capitation payments were submitted in accordance with applicable rules and requirements.

Audit Scope

This audit identified instances where multiple capitation payments were made to the Plan for enrollees who were assigned more than one CIN and subsequently enrolled in the same MCO for the same payment month. This audit includes CIN pairs identified in 2021 where capitation payments were made to the Plan for dates of service starting between January 1, 2016 and December 31, 2019 and continuing until the concurrent payments end.

Audit Findings

OMIG issued a Draft Audit Report to the Plan on October 21, 2021, that identified \$77,645.16 in Medicaid overpayments due to capitation payments made to the Plan for enrollees who were assigned more than one CIN and enrolled in the same MCO for the same payment month. The Plan's November 12, 2021, response (Attachment A) to the Draft Audit Report disputed a portion of the claims identified. After reviewing the Plan's response to the Draft Audit Report, OMIG removed 42 claims from the Final Audit Report findings. As a result, in this Final Audit Report, OMIG reduced the overpayments identified in the Draft Audit Report by \$14,949.65 (Attachment B), from \$77,645.16 to \$62,695.51 (Attachment C). Pursuant to Section 3.6, 19.7, and Appendix H of the Contract, and 18 NYCRR Parts 517 and 518, OMIG, on behalf of DOH, may recover such overpayments.

Based on this determination, the final overpayment amount, as defined in 18 NYCRR Section 518.1, is \$62,695.51. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$62,695.51 (Attachment C). Therefore, there is no balance due to DOH.

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 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 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.