NEW YORK STATE | Office of the Medicaid Inspector General

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

Audit of Inappropriately Paid Enhanced Nursing Home Capitation Payments

Final Audit Report
Audit #: 21-1805

United Healthcare Community Plan of NY, Inc.

Provider ID #: 01403176

NEW YORK STATE | Office of the Medicaid Inspector General

KATHY HOCHUL
Governor

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

November 10, 2022

[redacted]
United Healthcare Community Plan of NY, Inc.
One Penn Plaza, 8th Floor
New York, New York 10119

Re: Final Audit Report
Audit #: 21-1805
Provider ID #: 01403176

Dear [redacted]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for United Healthcare Community Plan of NY, Inc. (Plan).

In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan/Health and Recovery Plan Model Contract and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York Section 517.6, this Final Audit Report represents the final determination on the issues found during OMIG's audit.

After reviewing the Plan's May 19, 2022 response to OMIG's April 7, 2022 Revised Draft Audit Report, OMIG has reduced the overpayments identified in the Draft Audit Report from $300,909.17 to $276,674.21. Based on this determination, the final overpayment amount is $276,674.21. 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 [redacted] through email at [redacted] Please refer to audit number 21-1805 in all correspondence.

[redacted]
Bureau of MC Audit and Program Reviews
Division of Medicaid Audit
Office of the Medicaid Inspector General

Attachments
Certified Mail Number: 7019-2280-0000-1416-8708
Return Receipt Requested

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Background

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, New York State Medicaid Program Information for All Providers General Billing, New York State Medicaid General Billing Guidelines-Institutional, *Medicaid Update* publications, and the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan/Health and Recovery Plan Model Contract (Contract).

New York State Medicaid General Billing Guidelines-Institutional (Version 2015-01, pg.18) states an adjustment is submitted to correct one or more fields of a previously paid claim. Any field, except the Provider ID number or the Member's Medicaid ID number, can be adjusted. The adjustment must be submitted in a new claim form (copy of the original form is unacceptable) and all applicable fields must be completed. Adjustments cause the correction of the adjusted information in the claim history records as well as the cancellation of the original claim payment and the re-pricing of the claim based on the adjusted information.

New York State Medicaid Program Information for All Providers General Billing (Versions 2014-1, 2016-1, 2018-1, 2018-2, pg. 2) provides that paid claims requiring correction or resubmission must be submitted as adjustments to the paid claim within 60 days of the date of notification. In most cases adjustments, rather than voids, must be billed to correct a paid claim.

Pursuant to Section 3.21(a) of the Contract (Versions dated October 1, 2015; March 1, 2019), *Payment for Long Term Placement in Residential Health Care Facilities (Nursing Homes),* the Plan shall receive the premium associated with Long Term Placement from the DOH after the Local Department of Social Services (LDSS) has determined an enrollee is eligible for Long Term Placement in a nursing home.

Pursuant to Section 10.40 of the Contract (Versions dated October 1, 2015; March 1, 2019), *Residential Health Care Facility (Nursing Home) Benefit for Long Term Placement,* the Contractor is required to reimburse Nursing Homes the current fee-for-service Medicaid (Benchmark) rate or a negotiated rate, acceptable to both the Contractor and the nursing home, for three (3) years after a County is phased in. After the transition period, Nursing Homes and Contractors will negotiate a rate of payment for services. If the Enrollee is determined by the LDSS to be eligible for Medicaid, the Contractor shall continue to pay the Nursing Home.

Pursuant to Sections 19.3, 19.4, 19.5, 19.6, and 19.7 of the Contract (Versions dated October 1, 2015; March 1, 2019), *OMIG Audit Authority,* provides OMIG the right to review and audit contracts, encounter data, cost reports, plan benefit design or any other information used, directly or indirectly, to determine expenditures, 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.

DOH letter dated December 20, 2019 (DOH letter), advised Plans that the Medicaid payment system, eMedNY, was configured to pay the enhanced Nursing Home (NH) rate based on the Restriction/Exception (R/E) N code on file. The active NH R/E N code resulted in instances where the Plan billed the standard rate (Rate Codes 2205, 2209) but was inappropriately paid the enhanced NH rate, resulting in an overpayment for each applicable payment month that the Plan billed for a NH resident who was no longer residing in the NH.

Objective and Audit Scope

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 identify and recover:

- enhanced nursing home capitation payments (Rate Codes 1821-1826) made to the Plan when the appropriate rate code should have been the standard rate (Rate Codes 2205, 2209); and
- identify instances where the plan failed to submit bill adjustments for improperly paid claims.

Audit Scope

The audit included a review of enhanced NH capitation payments paid to the Plan for dates of service beginning March 1, 2015 and ending December 31, 2015.

Audit Findings

OMIG issued a Revised Draft Audit Report to the Plan on April 7, 2022 that identified $300,909.17 in Medicaid overpayments due to enhanced NH capitation payments made to the Plan on behalf of an enrollee when they were only entitled to the standard rate for the entire applicable payment month. The Plan's May 19, 2022 response (Attachment A) to the Draft Audit Report disputed the claims identified. After reviewing the Plan's response to the Revised Draft Audit Report, OMIG partially agreed with the Plan and removed two claims from the Final Audit Report findings. As a result, in this Final Audit Report, OMIG reduced the overpayments identified in the Revised Draft Audit Report by $24,234.96 (Attachment B), from $300,909.17 to $276,674.21 (Attachment C). Pursuant to Medicaid Billing Guidelines, Section 19.7 of the Contract, DOH letter, and 18 NYCRR Parts 517 and 518, the OMIG, on behalf of the Department, may recover such overpayments.

In accordance with 18 NYCRR 518.4(b), interest may be collected on any overpayments identified in this audit and will accrue at the current rate sixty (60) days from the date of the DOH letter. Section 518.4(e) allows for interest to be waived. For this audit, the interest has been waived, however, it may not be waived for future audits.

The total amount of overpayment, as defined in 18 NYCRR Section 518.1(c), is $276,674.21. As stated in the DOH letter, rather than voiding the claim, Plans should bill adjustments to their already paid claims to receive proper payment. Subsequent to the issuance of the Revised Draft Audit Report, the Plan failed to adjust any claims. Therefore, the amount due to DOH is $276,674.21 (Attachment C).

Do not submit claim voids or claim 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
  [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 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 12204-2719

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

United Healthcare Community Plan of NY, Inc.
One Penn Plaza, 8th Floor
New York, New York 10119

Provider ID #: 01403176

Audit #: 21-1805

Amount Due: $276,674.21

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

[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.