



Office of the  
Medicaid Inspector  
General

FRANK T. WALSH, JR.  
Acting Medicaid Inspector General

# **Audit of Capitation Payments for Enrollees not Residing in the State**

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**Final Audit Report  
Audit #: 22-5393**

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## **Capital District Physicians' Health Plan**

**Provider ID #: 01183013**



Office of the  
Medicaid Inspector  
General

KATHY HOCHUL  
Governor

FRANK T. WALSH, JR.  
Acting Medicaid Inspector General

March 9, 2023

[REDACTED]  
Capital District Physicians' Health Plan  
500 Patroon Creek Boulevard  
Albany, New York 12206

Re: Final Audit Report  
Audit #: 22-5393  
Provider ID #: 01183013

Dear [REDACTED]

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Capital District Physicians' Health Plan (Plan).

In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs 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.

The Plan did not dispute OMIG's September 29, 2022, 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 final overpayment amount is \$259,555.36. 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] or via phone at [REDACTED]. Please refer to audit number 22-5393 in all correspondence.

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

Attachments  
Certified Mail Number: 7022-3330-0000-3480-0614  
Return Receipt Requested

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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 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/Health and Recovery Plan Model Contract (Contract).

Pursuant to Social Security Act (SSA) Section 1903(r)(3), the federal government requires states to have in operation an eligibility determination system which provides for data matching through the Public Assistance Reporting Information System (PARIS), including matching with medical assistance programs operated by other States. PARIS is a system for matching data for the purposes of maintaining program integrity and detecting improper capitation payments for individuals receiving public assistance in more than one state.

In accordance with Title 18 NYCRR Part 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 capitation payments paid to the Plan for enrollees who are later determined, for the entire applicable payment month, to have been residing and receiving public assistance in a state other than New York State.

### 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:

- capitation payments made to the Plan for enrollees who have been residing and receiving Medicaid in a state other than New York State

### Audit Scope

This audit identified instances where capitation payments were made to the Plan for enrollees who were residing and receiving Medicaid in a state other than New York State for an entire applicable payment month. This audit included capitation payments made to the Plan for enrollees identified by PARIS Medicaid Interstate Matches between October 1, 2016, and December 31, 2018.



## Audit Findings

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OMIG issued a Draft Audit Report to the Plan on September 29, 2022, that identified \$259,555.36 in Medicaid overpayments due to capitation payments made to the Plan for enrollees who were residing and receiving Medicaid in a state other than New York State for the entire applicable payment month.

The Plan did not dispute the Draft Audit Report findings. As a result, the overpayments identified (Attachment A) in this Final Audit Report remain unchanged from those cited in the Draft Audit Report. Pursuant to Section 3.6 (SDOH Right to Recover Premiums), Section 19.7 (OMIG Audit Authority) and Appendix H of the Contract, and Title 18 of the Official Compilation of the Codes, Rules, and Regulations of the State of New York (18 NYCRR) Parts 517 and 518, OMIG, on behalf of DOH, may recover such overpayments.

The total amount of overpayment, as defined in 18 NYCRR Section 518.1, is \$259,555.36. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$259,555.36. Therefore, there is no remaining amount due to DOH (Attachment A).

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## 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]  
[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 North Pearl Street  
Albany, New York 12204

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## 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.