



**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**

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**Final Audit Report  
Audit #: 24-5531**

**Healthfirst PHSP, Inc.**

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**Provider ID #: [REDACTED]**



**Office of the Medicaid  
Inspector General**

**KATHY HOCHUL**  
Governor

**FRANK T. WALSH, JR.**  
Acting Medicaid Inspector General

January 16, 2025

[Redacted]  
Healthfirst PHSP, Inc.  
100 Church Street, 18<sup>th</sup> Floor  
New York, New York 10007-2606

RE: Final Audit Report  
Audit #: 24-5531  
Provider ID: [Redacted]

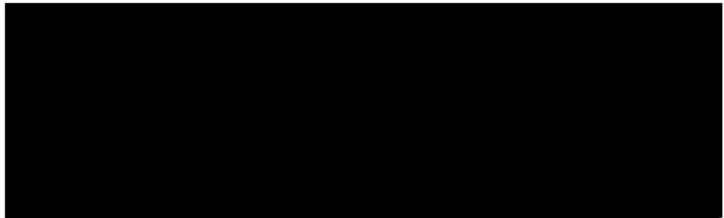
Dear [Redacted]:

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for Plan Name (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 October 9, 2024 response to OMIG's September 12, 2024 Draft Audit Report, OMIG has reduced the overpayments identified in the Draft Audit Report by \$15,828.99; from \$4,076,130.88 to \$4,060,301.89 in this Final Audit Report. Based on this determination, the final overpayment amount is \$4,062,426.38, inclusive of rate adjustments. 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 24-5531 in all correspondence.



Division of Medicaid Audit  
Office of Medicaid Inspector General

Attachments  
Certified Mail #: [Redacted]  
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 Model Contract (Contract).

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6 (SDOH Right to Recover Premiums), Section 19.7 (OMIG Audit Authority) and Appendix H, OMIG, on behalf of the DOH, has the right to recover premiums paid to the Plan for enrollees listed on the monthly roster who have concurrent enrollment in one or more managed care organization (MCO) under more than one CIN.

### 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 where capitation payments were made to the Plan for dates of service starting between January 1, 2020 and December 31, 2022 and continuing until the concurrent payments end.

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## Audit Findings

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OMIG issued a Draft Audit Report to the Plan on September 12, 2024 that identified \$4,076,130.88 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 October 9, 2024 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 partially agreed with the Plan and removed three 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 \$15,828.99 (Attachment B), from \$4,076,130.88 to \$4,060,301.89 (Attachment C). During the audit process, rate adjustments of \$2,124.49 occurred, increasing the overpayment to \$4,062,426.38 (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 \$4,062,426.38. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$4,062,426.38. Therefore, there is no balance due to DOH (Attachment C).

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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 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.

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### Contact Information

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[REDACTED]

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.