



Office of the
Medicaid Inspector
General

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

**Audit of Partial Hospitalization Claims for
Services Billed in Excess of Allowable
Treatment Period Paid from
May 1, 2018 to April 30, 2022**

**Final Audit Report
Audit #: 2024Z60-011S**

The Healing Connection, Inc. PHP

Provider ID #: [REDACTED]



Office of the
Medicaid Inspector
General

KATHY HOCHUL
Governor

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

January 23, 2025

The Healing Connection, Inc. PHP
1320 University Avenue
Rochester, New York 14607-1622

Final Audit Report
Audit #: 2024Z60-011S
Provider ID #: [REDACTED]

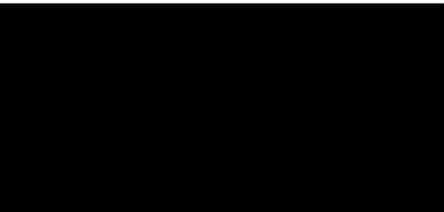
Dear Provider:

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for The Healing Connection, Inc. PHP (Provider).

In accordance with Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York Part 517, the attached Final Audit Report represents the final determination on the issues found during OMIG's audit.

Although you did not respond to the Draft Audit Report dated April 24, 2024, OMIG adjustments resulted in the Draft Audit Report overpayments being reduced from \$1,195.53 to \$1,194.98 in this Final Audit Report. Based on this determination, the total amount due is \$1,194.98, including interest to date. A detailed explanation can be found in the Audit Findings section of this report. **Please be advised that claim voids or adjustments should not be utilized to address the Medicaid overpayments for this audit.**

The exhibit referred to in this Final Audit Report will be sent electronically via a secure file transfer system. To obtain your copy of the exhibit or if you have any questions, please contact [REDACTED] at [REDACTED]. Please refer to audit number 2024Z60-011S in all correspondence.



Division of Medicaid Audit
Office of the Medicaid Inspector General

Certified Mail #: [REDACTED]
Return Receipt Requested

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A – Partial Hospitalization Claims for Services Billed in Excess of Allowable Treatment Period Paid from May 1, 2018 to April 30, 2022	

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), and DOH's Medicaid Provider Manuals and *Medicaid Update* publications.

Partial hospitalization is an intensive outpatient treatment program licensed by the New York State Office of Mental Health. Partial hospitalization is designed to provide patients with profound or disabling mental conditions individualized, coordinated, comprehensive, and multidisciplinary treatment in an outpatient setting. This program serves as an alternative to admission to or a continued stay at an inpatient hospital.

Partial hospitalization treatment is not to exceed six calendar weeks. When the patient is admitted to an inpatient psychiatric facility during their course of treatment, the facility generally discharges the patient. When this occurs, the episode dates will be recalculated to reflect this break in service. Any service that exceeds the six week regulatory limit will be disallowed.

The purpose of this review is to determine if reimbursement for visits associated with a partial hospitalization program, per recipient, are limited to six calendar weeks per course of treatment.

Objective

The objective of this audit was to assess the Provider's adherence to applicable laws, regulations, rules, and policies governing the New York State Medicaid program and to recover paid partial hospitalization claims for services billed in excess of the allowable treatment period.

Audit Scope

An audit of partial hospitalization claims for services billed in excess of the allowable treatment period for payment dates included in the period beginning May 1, 2018 and ending April 30, 2022 was completed.

Please note that due to the implementation of the National Provider Identifier (NPI) on September 1, 2008, there may be multiple Provider Identification Numbers associated with the Primary Provider Identification Number. The NPI is linked to the Primary Provider Identification Number. The Primary Provider Identification Number is used for correspondence and recoupment.

Audit Findings

OMIG issued a Draft Audit Report to the Provider on April 24, 2024 that identified \$1,195.53, in Medicaid overpayments. Although the Provider did not respond to the Draft Audit Report, OMIG adjustments resulted in overpayments being reduced in the Final Audit Report by \$0.55, from \$1,195.53 to \$1,194.98.

The following audit criteria resulted in audit findings and overpayment determinations, as outlined below and in the exhibit. A description of the finding and regulations/program citations appear below.

1. Partial Hospitalization Claims Billed in Excess of Allowable Treatment Period

A review of your claims shows that in numerous instances Medicaid was inappropriately billed claims for partial hospitalization services in excess of the allowable treatment period. The billing of partial hospitalization services in excess of the allowable treatment period was contrary to and in violation of Medicaid regulations, rules, and guidance as outlined below.

By enrolling the provider agrees...that the information provided in relation to any claim for payment shall be true, accurate, and complete.

18 NYCRR 504.3(h)

By enrolling the provider agrees...to comply with the rules, regulations and official directives of the department.

18 NYCRR 504.3(i)

All information regarding claims for payment submitted by or on behalf of the provider is subject to audit for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later, and must be furnished, upon request, to the department,...

18 NYCRR 517.3(b)(2)

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 518.1(c)

The department may require repayment from the person submitting an incorrect or improper claim, or the person causing such claim to be submitted, or the person receiving payment for the claim.

18 NYCRR 518.3(a)

Partial hospitalization visits shall be reimbursed on the basis of duration of hours provided as follows:... (2) Reimbursement for partial hospitalization shall be limited ... A course of treatment shall not exceed six calendar weeks, unless, during the course of treatment, the recipient is admitted to an inpatient psychiatric facility. Such course of treatment may be extended to include the number of days of inpatient treatment, up to a maximum of 30 days. Each course of treatment is a new admission.

14 NYCRR 588.9(a)(2)

Exhibit A is a list of claims for partial hospitalization services billed in excess of the allowable treatment period. As a result, OMIG has determined that **\$970.20** was inappropriately billed to Medicaid, resulting in Medicaid overpayments.

Summary of Overpayment

Pursuant to Title 18 New York Codes, Rules and Regulations (NYCRR) Parts 517 and 518, OMIG, on behalf of DOH, may recover overpayments. In accordance with 18 NYCRR Section 518.4(b), interest may be collected on any overpayments identified in this audit and will accrue at the current rate from the date of the overpayment. Interest on the overpayments identified in this Final Audit Report was calculated from the date of each overpayment through the date of the Draft Audit Report, using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest in the amount of **\$224.78** (Exhibit A) is owed.

Based on this determination, the total amount due to DOH, as defined in 18 NYCRR Section 518.1, is **\$1,194.98** (Exhibit A), including interest to date.

CLAIM VOIDS OR ADJUSTMENTS SHOULD NOT BE UTILIZED TO ADDRESS THE MEDICAID OVERPAYMENTS IDENTIFIED IN THIS FINAL AUDIT REPORT.

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
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

The Provider 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 Provider 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 Provider may have a person represent it or the Provider may represent itself. If the Provider chooses to be represented by someone other than an attorney, the Provider must supply along with its hearing request a signed authorization permitting that person to represent the Provider at the hearing; the Provider 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.



Office of the
Medicaid Inspector
General

REMITTANCE ADVICE

The Healing Connection, Inc. PHP
1320 University Avenue
Rochester, New York 14607-1622

Provider ID #: [REDACTED]

Audit #: 2024Z60-011S

Amount Due: \$1,194.98

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.