



**NEW YORK STATE  
OFFICE OF THE MEDICAID INSPECTOR GENERAL**

**REVIEW OF METROPLUS HEALTHPLAN, INC.'S  
CAPITATION PAYMENTS FOR DECEASED MANAGED CARE ENROLLEES  
JANUARY 1, 2007 – OCTOBER 22, 2012**

**FINAL AUDIT REPORT**

**James C. Cox  
Medicaid Inspector General  
April 25, 2013**

# TABLE OF CONTENTS

	PAGE
BACKGROUND	1
PURPOSE AND SCOPE	2
FINDINGS	2
PROVIDER RIGHTS	2

## ATTACHMENTS AND SCHEDULES

ATTACHMENT I – Provider Response

ATTACHMENT II – Paid Appropriately

ATTACHMENT III – Final Audit Report Overpayments Voided Claims



**STATE OF NEW YORK  
OFFICE OF THE MEDICAID INSPECTOR GENERAL**  
800 North Pearl Street  
Albany, New York 12204

**ANDREW M. CUOMO**  
GOVERNOR

**JAMES C. COX**  
MEDICAID INSPECTOR GENERAL

April 25, 2013

[REDACTED]  
MetroPlus Health Plan, Inc.  
160 Water Street, 3rd Floor  
New York, NY 10038

Re: Final Audit Report  
Audit # 12-6878  
Provider # [REDACTED]

Dear [REDACTED]:

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where MetroPlus Health Plan, Inc. (Plan) received monthly Medicaid and/or Family Health Plus capitation payments in months when the enrollee was deceased. In accordance with Section 517.6 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (18 NYCRR), this report represents the final determination on the issues found during the OMIG's review.

**BACKGROUND**

The New York State Department of Health (DOH) is responsible for the administration of the Medicaid program. As part of its responsibility as an entity within DOH, the 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 the DOH (Titles 10 and 18 of NYCRR), the regulations of the Office of Mental Health (Title 14 of the NYCRR), and the DOH's Medicaid Provider Manuals, *Medicaid Update* publications and Medicaid Managed Care and 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 (Compensation – State Department of Health Right to Recover Premiums) and Appendix H, the OMIG, on behalf of DOH, has the right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to have been ineligible for the entire applicable payment month.

## **PURPOSE AND SCOPE**

The purpose of this audit was to identify instances where the Plan received a capitation payment subsequent to the enrollee's month of death. These cases were identified by a computerized match comparing Medicaid and Family Health Plus managed care enrollees to New York State and New York City Vital Statistic death record information. The review includes all dates of death reported through April 23, 2012 to Vital Statistics.

## **FINDINGS**

A Draft Audit Report was issued on January 10, 2013 identifying \$426,136.16 in overpaid capitation payments made to the Plan for periods subsequent to the enrollee's month of death. In response to the Draft Audit Report the Plan submitted a letter dated February 6, 2013 disputing claims for seven dates of service (Attachment I). After reviewing the encounter data and the information regarding the dates of death pertaining to the disputed capitation payments, the OMIG agreed and removed two claims totaling \$1,684.02 from the overpayment findings. The plan also questioned a \$290.63 capitation payment for a November 2006 date of service; the Plan was allowed to keep this payment as it was outside the scope of the audit (Attachment II). The Plan voided the remaining 959 claims identified in the Draft Audit Report (Attachment III). Pursuant to Section 3.6 and Appendix H of the Contract and 18 NYCRR Parts 517 and 518, the OMIG, on behalf of DOH, may recover such overpayments paid to the Plan. Based on this determination, the total amount of overpayment as defined in 18 NYCRR 518.1 is \$424,161.51. There is no balance due the New York State Department of Health.

## **PROVIDER 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  
Office of Counsel  
New York State Office of the Medicaid Inspector General  
800 North Pearl Street  
Albany, New York 12204

Questions regarding the request for a hearing should be directed to [REDACTED], Office of Counsel, at [REDACTED]

At the hearing you have the right to:

- a) Be represented by an attorney or other representative, or to represent yourself;
- b) Present witnesses and written and/or oral evidence to explain why the action taken is wrong;
- c) Cross examine witnesses of the DOH and/or the OMIG; and
- d) Have an interpreter if you do not speak English or are deaf.

If you have any questions regarding the above, please contact [REDACTED] at [REDACTED] or via e-mail at: [REDACTED]

Sincerely,

[REDACTED]

Bureau of Managed Care Audit & Provider Review  
Office of the Medicaid Inspector General

Attachments: (3)

CERTIFIED MAIL # [REDACTED]

RETURN RECEIPT REQUESTED