



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

**REVIEW OF INDEPENDENT HEALTH ASSOCIATION'S  
CAPITATION PAYMENTS FOR DECEASED MANAGED CARE ENROLLEES  
JANUARY 1, 2007 – OCTOBER 22, 2012**

**FINAL AUDIT REPORT**

**James C. Cox  
Medicaid Inspector General  
April 23, 2013**

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## **ATTACHMENTS AND SCHEDULES**

**ATTACHMENT I – Provider Response**

**ATTACHMENT II – Rate Adjustment**

**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 23, 2013

[REDACTED]  
Independent Health Association  
511 Farber Lakes Drive  
Buffalo, NY 14221

Re: Final Audit Report  
Audit # 12-6896  
Provider [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where Independent Health Association (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 3, 2013 identifying \$49,450.97 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 an email, dated January 28, 2013, agreeing with the findings in this audit (Attachment I). Subsequent to the OMIG claim extract for the Draft Audit Report, payment rate adjustments were made to several claims thereby increasing the total overpayment by \$29.40 (Attachment II). The Plan has since voided all 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 \$49,480.37. 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