



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

**REVIEW OF HIGHFIELD GARDENS CR CENTER ADHC  
CLAIMS FOR ADULT DAY HEALTH CARE SERVICES  
PROVIDER NUMBER [REDACTED]  
PROJECT NUMBER 06-F-2769  
PAID FROM  
JANUARY 1, 2006 - JUNE 30, 2007**

**FINAL AUDIT REPORT**

**James C. Cox  
Medicaid Inspector General**



**STATE OF NEW YORK  
OFFICE OF THE MEDICAID INSPECTOR GENERAL  
217 Broadway 9<sup>th</sup> Floor  
New York, New York 10007**

**ANDREW M. CUOMO  
GOVERNOR**

**JAMES C. COX  
MEDICAID INSPECTOR GENERAL**

**Highfield Gardens CR Center ADHC**

**199 Community Dr.  
Great Neck, New York 11021**

**Re: Final Audit Report  
Provider [REDACTED]  
Project # 06-F-2769**

**Dear Providers:**

**Enclosed is the Office of the Medicaid Inspector General (OMIG) final report entitled "Review of Highfield Gardens CR Center ADHC." It is a review of all paid claims made to Highfield Gardens for adult day health care services, covering the period January 1, 2006 through June 30, 2007.**

**In the attached final audit report, the OMIG has detailed our objectives and scope, procedures, laws, regulations, rules and policies, case selection, findings, provider rights, and restitution calculation.**

**The OMIG has attached the case detail for the paid claims determined to be in error. This final audit report incorporates consideration of any additional documentation and information presented in response to the draft report dated September 11, 2011, however Highfield Gardens did not present additional information or documentation, and there have been no changes. As a result, the overpaid amount remains \$10,811.99.**

## **OFFICE OF THE MEDICAID INSPECTOR GENERAL**

**WWW.OMIG.NY.GOV**

The mission of the Office of the Medicaid Inspector General (OMIG), as mandated by New York Public Health Law 31 is to preserve 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.

### **DIVISION OF MEDICAID AUDIT**

The Division of Medicaid Audit professional staff conducts audits and reviews of Medicaid providers to ensure compliance and program requirements and, where necessary, to recover overpayments. These activities are done to monitor the cost-effective delivery of Medicaid services for prudent stewardship of scarce dollar; to ensure the required involvement of professional in planning care to program beneficiaries; safeguard the quality of care, medical necessity and appropriateness of Medicaid services provider; and, to reduce the potential for fraud, waste and abuse.

### **DIVISION OF MEDICAID INVESTIGATIONS**

The Division of Medicaid Investigations (DMI) investigates potential instances of fraud, waste, and abuse in the Medicaid program. DMI deters improper behavior by inserting covert and overt investigators into all aspects of the program, scrutinizing provider billing and services, and cooperating with other agencies to enhance enforcement opportunities. Disreputable providers are removed from the program or prevented from enrolling. Recipients abusing the system are not removed from this safety net, but their access to services is examined and restricted, as appropriate. DMI maximizes cost savings, recoveries, penalties, and improves the quality of care for the State's most vulnerable population.

### **DIVISION OF TECHNOLOGY AND BUSINESS AUTOMATION**

The Division of Technology and Business Automation will continue to support the data needs for the OMIG in the form audit and investigative support, data mining and analysis, system match and recovery, through the use of commercial data mining products and procurement of expert service consultants.

### **OFFICE OF COUNSEL TO THE MEDICAID INSPECTOR GENERAL**

The Office of Counsel to the Medicaid Inspector General promotes the OMIG's overall statutory mission through timely, accurate and persuasive legal advocacy and counsel.

If Highfield Gardens CR ADHC has any questions or comments concerning this final audit report, please contact [REDACTED] at [REDACTED] or through e-mail at [REDACTED]. Please refer to Project number 06-F-2769 in all correspondence.

Sincerely,

[REDACTED]

Dated: August 17, 2012

Deputy Medicaid Inspector General  
Division of Medicaid Investigations  
Office of the Medicaid Inspector General

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The federal and state governments jointly fund and administer the Medicaid program. In New York State, the department of (DOH) administers the Medicaid program. As part of this responsibility the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at ensuring provider compliance with applicable law, regulations rules and policies of the Medicaid program as set forth by the Departments of Health and Mental Hygiene (Titles 10,15 and 18 of the official Compilation of Codes, Rules and Regulations of the State of New York) and the Medicaid Provider Manuals.

### **OBJECTIVE AND SCOPE**

The objective of our audit was to ensure Highfield Gardens CR Center ADHC's compliance with applicable federal and state laws, regulations rules and policies governing the New York State Medicaid Program. With respect to adult day health care services, our review covered all claims paid by Medicaid from January 1, 2006 through June 30, 2007.

### **SUMMARY OF FINDINGS**

We reviewed all payments to Highfield Gardens CR Center ADHC services for 101 ADHC patients paid by Medicaid from January 1, 2006 through June 30, 2007 with a \$1,871,316.99 in Medicaid payments of 14,600 services. Of the 14,600 services, 89 services had an error and did not comply with state requirements.

<u><b>ERROR DESCRIPTION</b></u>	<u><b>Number of errors</b></u>
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No physician's orders for ADHC services	89
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Based on the services rendered, the OMIG has determined Highfield Gardens CR ADHC was overpaid \$10,811.99.

**Highfield Gardens CR CT ADHC  
Case No. 06-F-2769  
Provider [REDACTED]**

**Summary of Facts**

**This is a review of 101 patient ADHC records in connection with services provided by Highfield Gardens. This provider billed Medicaid a total of \$1,871,316.99 for the review period of January 1, 2006 through June 30, 2007.**

**OMIG's review of Highfield Gardens' ADHC records determined that three of 101 ADHC records did not contain physicians' orders to justify the recipients' attendance in ADHC sessions.**

**OMIG investigators attempted to find the physicians' orders for the ADHC services and were told that the records would be found at the referring physicians' offices. Using information from Highfield Gardens' ADHC records, which contained the names of the referring physicians, investigators obtained access to patient medical records at the relevant physicians' offices. Upon review, it was found that three of the 101 patients' medical records did not contain physicians' orders for ADHC attendance. Furthermore, these physicians were unable to verify ordering ADHC services.**

**Based upon the finding that physicians' orders could not be found in the patients' ADHC records, and the ordering physicians of record were unable to verify ordering ADHC services, a total of 89 paid claims to Highfield Gardens for three patients were disallowed. The resulting restitution figure totals \$10,811.99.**

## TABLE OF CONTENTS

	<u>Page</u>
<b>Introduction</b>	
<b>Background</b> .....	1
<b>Medicaid Program</b>	
<b>New York State's Medicaid Program</b>	
<b>New York State's Adult Day Health Program</b>	
<b>Objective, Scope, and Methodology</b> .....	2
<b>Objective</b>	
<b>Scope</b>	
<b>Methodology</b>	
<b>Laws, Regulations, Rules and Policies</b> .....	3
<b>Detailed Findings</b> .....	4
<b>Provider Rights</b> .....	5-6
<b>Remittance Advice Form</b> ,.....	7

### **Attachments:**

- A- Summary of disallowances by case number**
- B- Breakdown of disallowances by case number**

## **INTRODUCTION**

### **BACKGROUND**

#### **Medicaid Program**

Pursuant to Title XIX of the Social Security act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State governments jointly fund and administer the Medicaid program.

#### **New York State's Medicaid Program**

In New York State, the Department of Health (DOH) is the State agency responsible for operating the Medicaid program. Within DOH, the Office of Health Insurance Programs administers the Medicaid program. DOH uses the electronic Medicaid New York information system (eMedNY), a computerized payment and information reporting system, to process and pay Medicaid claims, including traumatic brain injury service claims.

#### **New York State's Adult Day Health Care Program**

Title 10 NYCRR Part 425 defines adult day health care as the health care services and activities provided to a group of registrants with functional impairment to maintain their health status and enable them to remain in the community. Title 18 NYCRR Part 492.2(a), defines an ADHC Day Program as an organized program for nonresidents of adult homes, residences for adults and enriched housing programs which include personal care, supervision and such other services which the operator is authorized to provide to residents of such facilities, but which are provided for less than 24 hours during any period of the day or night.

## **OBJECTIVE, SCOPE AND METHODOLOGY**

### **OBJECTIVE**

The objective of our audit was to ensure Highfield Gardens CR ADHC's compliance with applicable Federal and State laws, regulations, rules and policies governing the New York State Medicaid Program and to verify the following:

- Medicaid reimbursable services were rendered for the dates;
- Appropriate rate or procedure codes were billed for services rendered;
- Patient related records contained the documentation required by the regulations; and,
- Claims for payment were submitted in accordance with DOH regulations and the appropriate Provider Manuals.

### **SCOPE**

Our review period covered payments to Highfield Garden's CR ADHC adult day health care services paid by Medicaid from January 1, 2006 through June 30, 2007, consisting of 14,600 claims totaling \$1,871,316.99.

### **METHODOLOGY**

To accomplish our objective, we:

- Reviewed applicable federal and state laws, regulations, rules and policies;
- Held discussions with Highfield Gardens CR ADHC's management personnel to gain an understanding of the ADHC program.
- Ran computer programming application of claims in our Data Warehouse that identified 14,600 paid ADHC claims, totaling \$1,871,316.99.

For each sample selection we inspected, as available, the following:

- Medicaid electronic claim information
- Patient record

## **LAWS, REGULATIONS, RULES AND POLICIES**

The following are applicable Laws, Regulations, Rules and Policies of the Medicaid Program referenced when conducting this review:

- Departments of Health and Mental Hygiene (Titles 10,14, and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (10 NYCRR , 14 NYCRR, 18 NYCRR)
- Medicaid Management Information System and eMedNY Provider Manual
- In addition to any specific detailed findings, rules and/or regulations which may be listed below, the following regulations pertain to all reviews:

Regulations state: "By enrolling the provider agrees: (a) to prepare and to maintain contemporaneous records demonstrating its right to receive payment...and to keep for a period of six years from the date of care, services or supplies were furnished, all records necessary to disclose the nature and extent of services furnished and all information regarding claims for payment submitted by, or on behalf of, the provider...(e) to submit claims for payment only for services actually furnished and which medically necessary or otherwise authorized under the Social Services Law when furnished and which were provided to eligible persons... f) to submit claims on officially authorized claim forms in the manner specified by the department in conformance with standards and procedures for claims submission...(h) that the information provided in relation to any claim for payment shall be true, accurate and complete, and (i) to comply with the rules, regulations and official directives the department."

18 NYCRR Section 504.3

Regulations state: "All bills for medical care, services and supplies shall contain a dated certification by the provider that the care, services and supplies itemized have in fact been furnished; that the amounts listed are due and owing...that such records as are necessary to disclose fully the extent of care, services and supplies provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years from the date of payment... and that the provider understands that payment and satisfaction of this claim will be from Federal, State and local public funds and that he or she may be prosecuted under applicable Federal and State laws for any false claims, statements or documents, or concealment of a material fact provided..."

18 NYCRR Section 540.7(a)

Regulations state: "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 Section 518.1(c)

Furthermore, according to regulations, all providers must prepare and maintain contemporaneous records demonstrating their right to receive payment under the medical assistance program. In addition, the provider must keep, for a period of six years, all records necessary to disclose the nature and extent of services furnished and the medical necessity therefore, including any prescription or fiscal order for the service or supply. This information is subject to audit for a period of six years and must be furnished, upon request.

18 NYCRR Section 517.3(b)

## **DETAILED FINDINGS**

The OMIG's review of Medicaid claims paid to Highfield Garden CR ADHC from January 1, 2006 through June 30, 2007, identified 89 claims that did not have a physician's order for a total overpayment of \$10,811.99 (see Exhibits A and B).

### **1. No Physician's Order for AHDC Services**

**Case Number  
1, 26, 44**

Furthermore, according to regulations, all providers must prepare and maintain contemporaneous records demonstrating their right to receive payment under the medical assistance program. In addition, the provider must keep, for a period of six years, all records necessary to disclose the nature and extent of services furnished and the medical necessity therefore, including any prescription or fiscal order for the service or supply. This information is subject to audit for a period of six years and must be furnished, upon request.  
18 NYCRR Section 517.3(b)

## PROVIDER RIGHTS

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below. If you decide to repay \$10,811.99, one of the following repayment options must be selected within 20 days from the date of this letter:

**OPTION # 1:** Make full payment by check or money order 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 and be sent with the attached Remittance Advice to:

[REDACTED]  
New York State Department of Health  
Medicaid Financial Management  
GNARESP Corning Tower, Room 2739  
Albany, New York 12237-0048

**OPTION # 2:** Enter into a repayment agreement with the Office of the Medicaid Inspector General. If your repayment terms exceed 90 days from the date of the Final Report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. If the process of establishing the repayment agreement exceeds 20 days from the date of the Final Report, the OMIG will impose a 15% withhold after 20 days until the agreement is established.

Furthermore, the OMIG may require financial information from you to establish the terms of the repayment agreement. If additional information is requested, the OMIG must receive the information within 30 days of the request, or a 50% withhold will be imposed. OMIG acceptance of the repayment agreement is based on your repaying the Medicaid overpayment as agreed. The OMIG will adjust the rate of recovery or require payment in full, if your unpaid balance is not being repaid as agreed. The OMIG will notify you no later than 5 days after initiating such action. If you wish to enter into a repayment agreement, you must forward your written request within 20 days to the following:

Bureau of Collections Management  
New York State Office of the Medicaid Inspector General  
800 North Pearl Street  
Albany, New York 12204  
[REDACTED]

**If within 20 days, you fail to make full payment or contact OMIG to make repayment arrangements, OMIG will establish a withhold equal to 50% of your Medicaid billings to recover payment and liquidate the repayment amount, interest and/or penalty, not barring any other remedy allowed by law. OMIG will provide notice to you no later than 5 days after of any funds. In addition, if you receive an adjustment in your favor while you owe funds to the State; such adjustment will be applied against the amount owed.**

**If you choose not to settle this audit through repayment of the restitution amount, you have the right to challenge these findings by requesting an administrative hearing where OMIG would seek and defend the restitution of \$10,811.99. As allowed by state regulations, you must make your request for a hearing, in writing, within 60 days of the date of this report 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]**

**Issues you may raise shall be limited to those issues relating to determinations contained in the final audit report. Your hearing request may not address issues regarding the methodology used to determine the rate, or any issue that was raised at a proceeding to appeal a rate determination.**

**At the hearing you have the right to:**

- a) be represented by an attorney or other representative, or to represent yourself;**
- b) present witnesses an written and or oral evidence to explain why the action take is wrong; and**
- c) cross examine witnesses of the Department of Health and/or OMIG.**

**OMIG reserves the right to conduct further reviews of your participation in the Medicaid Program, take action where appropriate, and recover monies owed through the initiation of a civil lawsuit or other legal mechanisms including but not limited to the recovery of state tax refunds pursuant to Section 206 of the Public Health Law and Section 171-f of the State Tax Law.**

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

**NAME AND ADDRESS OF AUDITEE**

**Highfield Gardens CR Center ADHC  
199 Community Drive  
Great Neck, New York 11021**

**PROVIDER ID** [REDACTED]

**CASE # 06-F-2769**

**PROJECT**

**TYPE**

**PROVIDER**  
 **RATE**  
 **PART B**  
 **OTHER:**

**AMOUNT DUE: \$10,811.99**

**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 Case Number on your check.**
- 4. Mail check to:**

[REDACTED]  
**New York State Department of Health  
Medicaid Financial Management, B.A.M.  
GNARESP Corning Tower, Room 2739  
File #06-F-2769  
Albany, New York 12237**

*Thank you for your cooperation.*

Exhibit A

HIGHFIELD GARDENS CR CT ADHC

MMIS#: [REDACTED]  
Case #: 06-F-2769

No Physician's Order for AHDC Service

Sample #	Recipient ID	Recipient Name	DOB	Service Line Count	Total Amount Disallowed
1	[REDACTED]	[REDACTED]	[REDACTED]	41	\$ 5,190.49
26	[REDACTED]	[REDACTED]	[REDACTED]	22	\$ 2,330.12
44	[REDACTED]	[REDACTED]	[REDACTED]	26	\$ 3,291.38
<b>Grand Total</b>				<b>89</b>	<b>\$ 10,811.99</b>







