



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

**REVIEW OF AMERIGROUP OF NEW YORK LLC  
RETROACTIVE DISENROLLMENT DUE TO PLACEMENT IN FOSTER  
CARE  
DATES OF SERVICE FROM JUNE 1, 2007  
THROUGH JUNE 30, 2010**

**FINAL AUDIT REPORT**

**James C. Cox  
Medicaid Inspector General  
August 28, 2013**

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

ANDREW M. CUOMO  
GOVERNOR

JAMES C. COX  
MEDICAID INSPECTOR GENERAL

August 28, 2013

[REDACTED]  
Amerigroup of New York LLC  
4425 Corporation Lane  
Virginia Beach, VA 23462

Re: Final Audit Report  
Audit # 13-2503  
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid monthly capitation payments made for children enrolled in Amerigroup of New York LLC. (Plan) while simultaneously covered by Medicaid's foster care program which provided a medical per diem for the child's medical coverage. 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 (the Department) is the state agency responsible for the administration of the Medicaid program. As part of its responsibility as an entity within the Department, 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 Department of Health (Titles 10 and 18 of the NYCRR), the regulations of the Office of Mental Health (Title 14 of the NYCRR) and the Department's Medicaid Provider Manuals, *Medicaid Update* publications, and the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

Pursuant to Section 3.6, 6.1, and Appendix H and M of the Contract, and Chapter 2: Eligible Populations of the New York State Operational Protocol for the Partnership Plan, the OMIG, on behalf of the Department, has a right to recover premiums paid to the Plan for members 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 the audit was to identify instances where both a monthly capitation payment and a foster care daily rate payment were made by Medicaid for the same child, for the same payment month. The scope of the audit includes the period from June 1, 2007 to June 30, 2010.

## FINDINGS

A Draft Audit Report was issued on May 23, 2013 identifying \$535,089.13 in capitation payments inappropriately made to the Plan while the child was receiving a foster care daily rate paid for medical coverage by Medicaid during the same month. In response to the Draft Audit Report the Plan submitted documentation contesting a portion of the claims (Attachment I). Upon reviewing the documentation, the OMIG agreed with the Plan and reduced the overpayments in the Draft Audit Report by \$321.94 (Attachment II). As a result the Final Audit Report identified an overpayment of \$534,767.19. As stated in the Contract, Section 3.6 (Compensation – State Department of Health Right to Recover Premiums) and Appendix H and 18 NYCRR Parts 517 and 518, the OMIG has a right to recover overpayments 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.

The total amount of overpayment, as defined in 18 NYCRR § 518.1(c) is \$534,767.19. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$534,767.19 (Attachment III). Therefore, there is no balance due the New York State Department of Health (Attachment IV).

## 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 to:

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

If a hearing is held, the Plan may have a person represent the Plan 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 the Plan's 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 the Plan's behalf.

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The OMIG reserves the right to conduct further reviews of your participation in the Medicaid program, take action where appropriate, and recover any associated overpayments. To obtain the password for the enclosed disc, please contact [REDACTED] or by email at [REDACTED]. Thank you for your cooperation.

Sincerely,

[REDACTED]  
Division of Medicaid Audit  
Office of the Medicaid Inspector General

CERTIFIED MAIL # [REDACTED]  
RETURN RECEIPT REQUESTED