



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

**REVIEW OF OHP PHSP, INC.'S  
INCARCERATION MATCH  
DATES OF SERVICE FROM JANUARY 1, 2012  
THROUGH DECEMBER 31, 2012**

**FINAL AUDIT REPORT**

**James C. Cox  
Medicaid Inspector General  
August 30, 2013**

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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

August 30, 2013

[REDACTED]  
OHP PHSP, Inc.  
241 37<sup>th</sup> Street # 412  
Brooklyn, NY 11232

Re: Final Audit Report  
Audit # 13-2896  
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where OHP PHSP, Inc. (Plan, formerly known as Health Plus) received monthly Medicaid and/or Family Health Plus capitation payments for incarcerated enrollees during the period beginning January 1, 2012 and ending December 31, 2012. In accordance with Medicaid Managed Care and Family Health Plus/HIV Special Needs Plan Model Contract (Contract) and 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).

## **OBJECTIVE AND SCOPE**

### **Audit Objective**

The objective of this audit was to identify instances where the Plan received a capitation payment from Medicaid when the enrollee was incarcerated for the entire payment month. These cases were identified by a computerized match comparing Medicaid and Family Health Plus managed care enrolled recipients to information provided by the New York State Department of Correctional and Community Supervision (DOCCS) and Division of Criminal Justice Services (DCJS).

### **Audit Scope**

The review included capitation payments made to the Plan during the period beginning January 1, 2012 and ending December 31, 2012.

## **FINDINGS**

A Draft Audit Report was issued on June 4, 2013 identifying \$48,137.72 in overpaid capitation payments made to the Plan for incarcerated enrollees. In its July 3, 2013 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 to reduce the overpayments in the draft audit report by \$8,631.38 (Attachment II). Based on this determination, the total amount of overpayment identified in this Final Audit Report as defined in 18 NYCRR 518.1 is \$39,506.34 (Attachment III). As stated in the Contract, specifically Section 3.6 (*Compensation – State Department of Health Right to Recover Premiums*) and, Appendix H, as well as 18 NYCRR Parts 517 and 518, the OMIG, on behalf of the Department, has a right to recover overpayments paid to the Plan for enrollees listed on the monthly roster who are later determined to be incarcerated for the entire applicable payment month. Subsequent to the issuance of the Draft Audit Report, the Plan submitted 85 claim voids in the amount of \$39,506.34 (Attachment IV). 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 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 the Office of Counsel at [REDACTED]

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.

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. If you have any questions regarding the above, 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

Attachments: (4)

CERTIFIED MAIL # [REDACTED]

RETURN RECEIPT REQUESTED