



STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL

445 Hamilton Avenue, Suite 506
White Plains, New York 10601

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

December 21, 2012

[REDACTED]
Rite Aid Corporation
1218 Central Avenue
Albany, New York 12205

RE: Final Audit Report
Store #1302
Audit #:09-1121
Provider #: [REDACTED]

Dear [REDACTED]:

This letter constitutes the Office of the Medicaid Inspector General's (OMIG) Final Audit Report of payments to Rite Aid of New York, Inc. 1302 (Rite Aid 1302) for pharmacy services paid by Medicaid covering the period of January 1, 2004, through December 31, 2007.

The New York State Department of Health (Department) is the single state agency responsible for the administration of the medical assistance (Medicaid) program. The OMIG is an independent office within the Department responsible for a variety of Medicaid program integrity functions. As part of its responsibilities, the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews assess 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 and the Department of Mental Hygiene (Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York) and the Department's Medicaid Managed Care Model Contract, Medicaid Management Information System (MMIS) Provider Manuals and *Medicaid Update* publications.

During the audit period, \$6,256,319.20 was paid for 94,102 claims reimbursed. This review consisted of a random sample of 200 claims with Medicaid payments of \$14,998.84. The purpose of the audit was to ascertain whether Rite Aid 1302 was in compliance with Applicable Federal and State laws, regulations, rules and policies governing the New York State Medicaid Program and to verify that: prescriptions were properly ordered by a qualified practitioner; the pharmacy had sufficient documentation to substantiate billed services; appropriate formulary codes were billed; patient related records contained the documentation required by the regulations; and claims for payment were submitted in accordance with New York State laws, Department regulations and the Provider Manuals for Pharmacy.

After reviewing Rite Aid 1302's October 22, 2012 response to the OMIG's September 18, 2012 Revised Draft Audit Report, as well as any other information/documentation submitted, OMIG has determined that for the period and scope reviewed, Rite Aid of New York, Inc. 1302 generally adhered to applicable Medicaid billing rules and regulations. The OMIG has concluded that no further action is required pertaining to this audit.

Rite Aid 1302 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), if Rite Aid 1302 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 Office of Counsel, at [REDACTED]

Issues you may raise shall be limited to those issues relating to determinations contained in the Final Audit Report. Further, issues must be limited to those you raised in any written response to the Revised Draft Audit Report. The 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.

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] at [REDACTED] or by email at [REDACTED]. Thank you for your cooperation.

Sincerely,

[REDACTED]
Bureau of Fee for Service
Division of Medicaid Audit
Office of the Medicaid Inspector General

cc: [REDACTED]

CERTIFIED MAIL # [REDACTED]
RETURN RECEIPT REQUESTED