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

December 19, 2012

Health Quest Medical Practice PC
[redacted]
1351 Route 55 Suite 200
Lagrangeville, New York 12540-5128

FINAL AUDIT REPORT
Audit #2012Z61-036S
Provider [redacted]

Dear [redacted]:

The New York State Office of the Medicaid Inspector General (the "OMIG") completed an audit of Medicaid claims paid for physician's services provided under an OMH Licensed Outpatient Program. 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 issues found during the OMIG's review.

Your response to the OMIG's September 26, 2012 Draft Audit Report agreed with the audit findings. As a result, the overpayments in the final report remain unchanged to those cited in the draft report. The total Medicaid overpayment is $ 1,383.70, inclusive of interest.

Based on this determination, restitution of the overpayments as defined in 18 NYCRR 518.1 is required in the amount of $ 1,383.70, inclusive of interest.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below.

> **OPTION #1**: Make a full payment by check or money order within 20 days of the date of the final report. The check should be made payable to the New York State Department of Health and be sent with the enclosed Remittance Advice form, signed and dated, to:

New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Albany, New York 12237

OPTION #2: Enter into a repayment agreement with the Office of the Medicaid Inspector General to have the overpayments applied against your future Medicaid payments. 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. 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:

Collections Management Group
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

Do not submit claim voids or adjustments in response to this Final Report.

If within 20 days you fail to make full payment or contact the OMIG to make repayment arrangements, the OMIG will establish a withhold equal to 50% of your Medicaid billings to secure payment and liquidate the overpayment amount, interest and/or penalty, not barring any other remedy allowed by law. The OMIG will provide notice to you no later than 5 days after the withholding 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.

You have 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 you wish 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, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply along with your hearing request a signed authorization permitting that person to represent you. At the hearing, you may call witnesses and present documentary evidence on your behalf.

Questions concerning this audit may be directed to [redacted] at [redacted]

Sincerely,

[redacted]

Bureau of Business Intelligence
Office of the Medicaid Inspector General

Enclosure

CERTIFIED MAIL # [redacted]
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE

Health Quest Medical
Practice PC
1351 Route 55 Suite 200
Lagrangeville, NY 12540-5128

AMOUNT DUE: $ 1,383.70

Provider [redacted]

AUDIT #2012Z61-036S

AUDIT TYPE	[X] PROVIDER [ ] RATE [ ] PART B [ ] OTHER:

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 Audit Number on your check.

4. Mail check to:

[redacted]
Medicaid Financial Management
New York State Department of Health
GNARESP Corning Tower, Room 2739
File #2012Z61-036S
Albany, New York 12237

5. If the provider number shown above is incorrect, please enter the correct number below.

CORRECT PROVIDER NUMBER

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

FINAL REPORT

HEALTH QUEST MEDICAL PRACTICE PC
1351 ROUTE 55 SUITE 200
LAGRANGEVILLE, NEW YORK 12540-5128

PHYSICIAN SERVICES PROVIDED UNDER
OMH LICENSED OUTPATIENT PROGRAM
#2012Z61-036S

ISSUED DECEMBER 19, 2012

BACKGROUND, PURPOSE AND SCOPE

The New York State Department of Health (DOH) is responsible for the administration of the Medicaid program. As an independent office within DOH, the OMIG conducts audits and reviews of providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at ensuring provider compliance with applicable laws, regulations, rules and policies of the Medicaid program as set forth in New York State Public Health Law, New York State Social Services Law, regulations of the Departments of Health and Social Services, [Titles 10 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the eMedNY Provider Manuals.

In ambulatory care for recipients with mental illness, the costs of routine physicians' services are included in the facilities' rate or fee and shall not be billed separately.

Only the licensed Office of Mental Health (OMH) Program is eligible to seek and receive Medicaid reimbursement for the services provided under the auspice of the licensed program.

Physicians or other licensed clinicians, regardless of how they are engaged by the OMH licensed program, may not seek separate Medicaid reimbursement for services provided by the OMH licensed outpatient program.

A review of your claims shows that in numerous instances Medicaid was inappropriately billed a separate physician claim for services provided under the OMH licensed outpatient program.

To accomplish this review, claims submitted for physician's services with payment dates from January 1, 2008 through December 31, 2011 were reviewed.

Please note that due to the implementation of the National Provider Identifier (NPI) on September 1, 2008, there may be multiple Provider Identification Numbers associated with the Primary Provider Identification Number. The NPI is linked to the Primary Provider Identification Number. The Primary Provider Identification Number is used for correspondence and recoupment.

DETAILED FINDINGS

1. Physician Services Provided Under OMH Licensed Outpatient Programs

Regulations state: "By enrolling the provider agrees ... that the information provided in relation to any claim for payment shall be true, accurate, and complete."

18 NYCRR 504.3(h)

Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."

18 NYCRR 504.3(i)

Regulation 18 NYCRR 518.1(c) defines "overpayment" as "any amount not authorized to be paid under the medical assistance program, whether paid as the result of ...improper

claiming, unacceptable practices, fraud, abuse or mistake" and provides for the recovery by OMIG of these overpayments.

18 NYCRR 518.1(c)

Regulations state: "The cost of routine physicians' services are included in facilities' rate or fee and shall not be billed separately."

18 NYCRR 505.25(f)(2)

Medicaid Physician Manual Policy Guidelines state: Reimbursement will not be made for appointments for medical care which are not kept; nor to a physician salaried/compensated by a facility (e.g., hospital, diagnostic and treatment center) unless that portion of the physician's salary/compensation apportioned to patient care (as contrasted to administration, teaching and research responsibilities) is excluded as an element of cost in the determination of the facility's Medicaid rate.

eMedNY Physician Manual Section III - Limitations on Payment
Version 2008-2 pg.17 of 39, Version 2008-1 pg. 17 of 39,
Version 2004-1 pg.36 of 70

Medicaid billing instructions for services provided under the Office of Mental Health (OMH) licensed outpatient programs are as follows:
Only the licensed program is eligible to seek and receive Medicaid and/or Medicare reimbursement for the services provided under the auspice of the licensed program;
Physicians or other licensed clinicians, regardless of how they are engaged by the OMH licensed program, may not seek separate Medicaid and/or Medicare reimbursement for services provided by the OMH licensed outpatient program...

May 2010 Medicaid Update

When a Medicaid eligible patient is seen in an OMH licensed outpatient program, the cost of routine physicians' services are included in the facility's rate and should not be billed separately.

Exhibit I is a list of physician claims for services for Medicaid recipients of an OMH Outpatient Program. For each physician claim, there is a corresponding OMH outpatient claim showing the Attending Physician to be the same individual as the Billing Physician. This separate reimbursement for services provided by the OMH licensed outpatient program resulted in a Medicaid overpayment of $ 1,320.80.

DETERMINATION

In accordance with 18 NYCRR 518.4, interest may be collected on any overpayments identified in this audit and will accrue at the current rate from the preliminary determination of the overpayment. For the overpayments identified in this audit, the OMIG has determined that accrued interest totals $ 62.90.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR 518.1(c) is $ 1,383.70, inclusive of interest.

Do not submit claim voids or adjustments in response to this Final Report.