



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

ANDREW M. CUOMO  
GOVERNOR

JAMES G. SHEEHAN  
MEDICAID INSPECTOR GENERAL

February 10, 2011

Mr. James Brennan, Administrator  
Oak Hill Manor Nursing Home  
602 Hudson Street  
Ithaca, New York 14850

Re: Medicaid Rate Audit #09-4809  
NPI Number: [REDACTED]  
Provider Number: [REDACTED]

Dear Mr. Brennan:

Enclosed is the final audit report of the Office of the Medicaid Inspector General's (the "OMIG") audit of Oak Hill Manor Nursing Home's (the "Facility") Medicaid rates for the rate period January 1, 2005 through December 31, 2008. In accordance with 18 NYCRR Section 517.6, this report represents the OMIG's final determination on issues raised in the draft audit report.

Since you did not respond to our draft audit report dated November 12, 2010 the findings in the final audit report remain identical to the draft audit report. Based on the enclosed audited rates calculated by the Bureau of Long Term Care Reimbursement, the Medicaid overpayment currently due is \$11,517. This overpayment is subject to Department of Health (the "DOH") and Division of Budget (the "DOB") final approval. While not anticipated, any difference between the calculated overpayment and the final DOH and DOB approved amount will be resolved with the Facility by the OMIG Bureau of Collections Management.

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

**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:

Mr. Donald Collins  
New York State Department of Health  
Medicaid Financial Management  
GNARESP Corning Tower, Room 1237  
File #09-4809  
Albany, New York 12237-0048

**OPTION #2:** Enter into a repayment agreement with the OMIG. If your repayment terms exceed 90 days from the date of the final audit 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 audit 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:

Bureau of Collections Management  
New York State Office of the Medicaid Inspector General  
800 North Pearl Street  
Albany, New York 12204  
Phone #: (518) 474-5878  
Fax#: (518) 408-0593

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. You may not request a hearing to raise issues related to rate setting or rate setting methodology. In addition, you may not raise any issue that was raised or could have been raised at a rate appeal with your rate setting agency. You may only request a hearing to challenge specific audit adjustments which you challenged in a response to the draft audit report.

If you wish 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 Charlene D. Fleszar, Esq. of the Office of Counsel at (518) 408-5811.

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 a signed authorization permitting that person to represent you along with your hearing request. At the hearing, you may call witnesses and present documentary evidence on your behalf. If you have any questions regarding the above, please contact Mr. Tony Lupino at (518) 486-9565.

Sincerely,



Paul E. Barry  
Coordinator Medical Facilities Audit  
Division of Medicaid Audit  
Audit Management and Development  
Office of the Medicaid Inspector General

Attachments:

- EXHIBIT I - Summary of Per Diem Impact and Medicaid Overpayment
- EXHIBIT II - Summary of Medicaid Rates Audited
- EXHIBIT III - Property Expense Disallowances/(Allowances)
- EXHIBIT IV - Correction of Patient Days

CERTIFIED MAIL #7009-1680-0000-8810-6301  
RETURN RECEIPT REQUESTED

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

**NAME AND ADDRESS OF AUDITEE**

OAK HILL MANOR NURSING HOME  
602 HUDSON STREET  
ITHACA, NEW YORK 14850

NPI # [REDACTED]  
PROVIDER # [REDACTED]

AUDIT #09-4809

AMOUNT DUE: \$11,517

AUDIT  
TYPE

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:

Mr. Donald Collins  
New York State Department of Health  
Medicaid Financial Management  
GNARESP Corning Tower, Room 1237  
File #09-4809  
Albany, New York 12237-0048

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

**CORRECT PROVIDER NUMBER**

OAK HILL MANOR NURSING HOME

RATE PERIODS JANUARY 1, 2005 THROUGH DECEMBER 31, 2008  
SUMMARY OF PER DIEM IMPACT AND MEDICAID OVERPAYMENT

RATE PERIOD	ISSUED RATES*		FINAL RATES		RATE DECREASE (INCREASE)	MEDICAID DAYS	MEDICAID OVERPAYMENT
	Non-Elig.	Eligible	Non-Elig.	Eligible			
01/01/05 - 01/31/05	\$119.38	\$118.79	\$119.38	\$118.79	\$ -	865	\$ -
02/01/05 - 03/31/05	115.55	114.96	115.55	114.96	-	1,590	-
04/01/05 - 04/30/05	129.88	129.29	129.66	129.07	0.22	823	181
05/01/05 - 06/30/05	130.92	130.33	130.70	130.11	0.22	1,560	343
07/01/05 - 07/31/05	130.92	130.33	130.70	130.11	0.22	767	169
08/01/05 - 10/31/05	132.18	131.59	131.96	131.37	0.22	2,533	557
11/01/05 - 12/31/05	132.70	132.11	132.48	131.89	0.22	1,643	361
01/01/06 - 01/31/06	137.92	137.32	137.63	137.03	0.29	795	231
02/01/06 - 03/31/06	132.54	131.94	132.25	131.65	0.29	1,610	467
04/01/06 - 04/30/06	132.24	131.64	131.95	131.35	0.29	823	239
05/01/06 - 07/31/06	133.25	132.65	132.96	132.36	0.29	2,481	719
08/01/06 - 10/31/06	134.71	134.11	134.42	133.82	0.29	2,702	784
11/01/06 - 12/31/06	133.89	133.29	133.60	133.00	0.29	1,846	535
01/01/07 - 03/31/07	144.45	143.83	144.20	143.58	0.25	2,382	596
04/01/07 - 06/30/07	143.70	143.09	143.46	142.85	0.24	2,361	567
07/01/07 - 07/31/07	139.97	139.36	139.73	139.12	0.24	659	158
08/01/07 - 08/31/07	144.27	143.66	144.02	143.41	0.25	682	171
09/01/07 - 12/31/07	144.27	143.66	144.02	143.41	0.25	2,945	736
01/01/08 - 01/31/08	149.10	148.48	148.51	147.89	0.59	699	412
02/01/08 - 03/31/08	151.42	150.80	150.83	150.21	0.59	1,118	660
04/01/08 - 06/30/08	148.15	147.53	147.56	146.94	0.59	1,801	1,063
07/01/08 - 07/31/08	152.02	151.40	151.43	150.81	0.59	682	402
08/01/08 - 12/31/08	149.82	149.20	149.23	148.61	0.59	3,672	2,166
<b>TOTAL MEDICAID OVERPAYMENT</b>							<b>\$ 11,517</b>

\* Any differences between these rates and the rates listed in Exhibit II of this report represent rate changes made subsequent to our audit. These changes remain open to future audit by the OMIG.

OAK HILL MANOR NURSING HOME

RATE PERIODS JANUARY 1, 2005 THROUGH DECEMBER 31, 2008

## SUMMARY OF MEDICAID RATES AUDITED

The Facility's Medicaid utilization was approximately 44 percent for the period under audit and the Medicaid per diem rates audited are shown below. Any differences between these rates and the "Issued Rates" listed in Exhibit I of this report represent rate changes made subsequent to our audit. These changes remain open to future audit by the OMIG.

<u>RATE PERIOD</u>	<u>ISSUED RATES</u>	
	<u>Non-Elig.</u>	<u>Eligible</u>
01/01/05 - 01/31/05	\$119.38 ✓	\$118.79 ✓
02/01/05 - 03/31/05	115.55 ✓	114.96 ✓
04/01/05 - 04/30/05	129.88 ✓	129.29 ✓
05/01/05 - 06/30/05	130.92 ✓	130.33 ✓
07/01/05 - 07/31/05	130.92 ✓	130.33 ✓
08/01/05 - 10/31/05	132.18 ✓	131.59 ✓
11/01/05 - 12/31/05	132.70 ✓	132.11 ✓
01/01/06 - 01/31/06	137.92 ✓	137.32 ✓
02/01/06 - 03/31/06	132.54 ✓	131.94 ✓
04/01/06 - 04/30/06	132.54 ✓	131.64 ✓
05/01/06 - 07/31/06	133.25 ✓	132.65 ✓
08/01/06 - 10/31/06	134.71 ✓	134.11 ✓
11/01/06 - 12/31/06	133.89 ✓	133.29 ✓
01/01/07 - 03/31/07	144.45 ✓	143.83 ✓
04/01/07 - 06/30/07	143.70 ✓	143.09 ✓
07/01/07 - 07/31/07	139.97 ✓	139.36 ✓
08/01/07 - 12/31/07	144.27 ✓	143.66 ✓
01/01/08 - 03/31/08	149.10 ✓	148.48 ✓
04/01/08 - 06/30/08	145.84 ✓	145.22 ✓
07/01/08 - 12/31/08	149.71 ✓	149.09 ✓

*OK - agree  
w/ draft*

**OAK HILL MANOR NURSING HOME**

**RATE PERIODS JANUARY 1, 2005 THROUGH DECEMBER 31, 2008**

**PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)**

	<u>DESCRIPTION</u>	<u>COST CENTER</u>	<u>RATE PERIODS</u>				
			<u>1/1/2005-03/01/05</u>	<u>4/1/2005-12/31/05</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Property Expense Allowed on HE-12B			\$ 91,791	\$ 85,544	\$ 93,413	\$ 122,856	\$ 111,199
Less Disallowances/(Allowances):							
<b>RENTAL EXPENSE DISALLOWANCES</b>							
Costs not related to patient care are costs that are not appropriate or necessary for patient care in developing and maintaining the operation of patient care facilities and activities. Only costs properly chargeable to necessary patient care are allowable. Costs pertaining to a automobile used for personal use by the owner are not related to patient care and were disallowed.	Rent B	005			1,220		
	Rent B	005				1,220	
	Rent B	005					6,100
<b>Regulations: 10 NYCRR Sections 86-2.17(a) and (d)</b>							
<b>Total Disallowances/(Allowances)</b>			\$ -	\$ -	\$ 1,220	\$ 1,220	\$ 6,100
<b>AUDITED PROPERTY EXPENSE</b>			<b>\$ 91,791</b>	<b>\$ 85,544</b>	<b>\$ 92,193</b>	<b>\$ 121,636</b>	<b>\$ 105,099</b>

**OAK HILL MANOR NURSING HOME**  
**RATE PERIODS JANUARY 1, 2005 THROUGH DECEMBER 31, 2008**  
**CORRECTION OF PATIENT DAYS**

The audit of patient day statistics disclosed that the patient days reported were understated in rate periods April 1, 2005 through December 31, 2008. The following adjustments were necessary to include the proper days in the rate calculations.

**Regulation: 10 NYCRR Section 86-2.8(c)**

**OPERATING COMPONENT**

**RATE PERIODS**

Patient Days in Promulgated Rates  
 Patient Days per Audit  
 Understated Patient Days

4/1/2005-  
 12/31/08  
 20,502  
 20,846  
 344

**PROPERTY COMPONENT**

**RATE PERIODS**

Patient Days in Promulgated Rates  
 Patient Days per Audit  
 Understated Patient Days

<u>4/1/2005- 12/31/05</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
20,502	20,502	20,502	19,973
20,846	20,846	20,846	20,721
344	344	344	748