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
ACTING MEDICAID INSPECTOR GENERAL

February 22, 2012

[redacted]
Fulton County Residential Health Care Facility
847 County Highway 122
Gloversville, New York 12078

Re: Medicaid Rate Audit #11-3810
NPI Number: [redacted]
Provider Number: [redacted]

Dear [redacted]:

Enclosed is the final audit report of the Office of the Medicaid Inspector General's (the "OMIG") audit of Fulton County Residential Health Care Facility's (the "Facility") Medicaid rates for the rate period January 1, 2006 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 30, 2011, the findings in the final audit report remain identical to the draft audit report. As previously stated in the draft audit report, the Medicare Part B and D offsets were not within the scope of the review and may be examined as part of a future audit. Based on the enclosed audited rates calculated by the Bureau of Long Term Care Reimbursement, the Medicaid overpayment currently due is $12,501. 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:

New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 1237
File #11-3810
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

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 of the Office of Counsel at

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 at

Sincerely,

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)

CERTIFIED MAIL #
RETURN RECEIPT REQUESTED

Ver-15.0

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE

FULTON COUNTY RHCF
847 COUNTY HIGHWAY 122
GLOVERSVILLE, NEW YORK 12078

AMOUNT DUE: $12,501

NPI [redacted]
PROVIDER [redacted]

AUDIT #11-3810

AUDIT TYPE	
	[ ] PROVIDER
	[X] 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]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 1237
File #11-3810
Albany, New York 12237-0048

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

CORRECT PROVIDER NUMBER

EXHIBIT I

FULTON COUNTY RESIDENTIAL HEALTH CARE FACILITY
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
SUMMARY OF PER DIEM IMPACT AND MEDICAID OVERPAYMENT

RATE PERIOD	ISSUED PART B & D NON-ELIGIBLE RATES*	FINAL PART B & D NON-ELIGIBLE RATES	RATE DECREASE (INCREASE)	MEDICAID DAYS	MEDICAID OVERPAYMENT
01/01/06 - 03/31/06	$151.41	$151.30	$0.11	12,725	$ 1,400
04/01/06 - 06/30/06	152.13	152.02	0.11	12,420	1,366
07/01/06 - 09/30/06	150.75	150.64	0.11	12,951	1,425
10/01/06 - 12/31/06	153.13	153.02	0.11	12,727	1,400
01/01/07 - 03/31/07	163.86	163.79	0.07	11,830	828
04/01/07 - 08/31/07	162.95	162.88	0.07	19,469	1,363
09/01/07 - 12/31/07	162.95	162.88	0.07	16,348	1,144
01/01/08 - 03/31/08	167.57	167.50	0.07	12,183	853
04/01/08 - 12/31/08	166.36	166.29	0.07	38,892	2,722
TOTAL MEDICAID OVERPAYMENT					**$ 12,501**

* Any differences between these rates and the rates listed in Exhibit II of this report represent rate changes made subsequent to OMIG's audit. These changes remain open to future audit by the OMIG. For the purpose of this Exhibit, the Medicare Part B and D rates are not shown. The rate decrease/(increase) for those rates is the same as shown for the Medicare Part B and D non-eligible rates above.

EXHIBIT II

FULTON COUNTY RESIDENTIAL HEALTH CARE FACILITY
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
SUMMARY OF MEDICAID RATES AUDITED

The Facility's Medicaid utilization was approximately 80 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.

RATE PERIOD	Issued Medicare Part B & D Non-Eligible Rates *
01/01/06 - 03/31/06	$151.41
04/01/06 - 06/30/06	152.13
07/01/06 - 09/30/06	150.75
10/01/06 - 12/31/06	153.13
01/01/07 - 03/31/07	163.86
04/01/07 - 08/31/07	162.95
09/01/07 - 12/31/07	162.95
01/01/08 - 03/31/08	167.57
04/01/08 - 12/31/08	166.36

* The Medicare Part B and D rates are not shown for the purpose of this Exhibit. The Medicare Part B and D offsets were not within the scope of this audit and may be examined as part of a future audit.

EXHIBIT III

FULTON COUNTY RESIDENTIAL HEALTH CARE FACILITY
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

	DESCRIPTION	COST CENTER	RATE PERIODS 2006	2007	2008
Property Expense Allowed per HE-12B			$ 348,954	$ 316,251	$ 254,907
Less Disallowances/(Allowances):					
1. BUILDING DEPRECIATION EXPENSE DISALLOWANCES					
Providers receiving payments on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Audited fixed equipment depreciation varied from the expense allowed in the rate resulting in a disallowance. **Regulations: 10 NYCRR Section 86-2.19(a), PRM-1 Sections 2300 & 2304.**	Bldg. Depr.	001	1,950		
2. NON-PATIENT CARE PROPERTY EXPENSE DISALLOWANCES					
Costs not related to patient care are costs that are not appropriate or necessary and proper in developing and maintaining the operation of patient care facilities and activities. Only costs properly chargeable to necessary patient care are allowable. The Facility leases space to an unrelated party. Costs pertaining to this space are not related to patient care of the Facility and should not be included in the Facility's rate computation. Consequently, disallowances were necessary. **Regulations: 10 NYCRR Sections 86-2.17(a) & (d), 86-2.19 & 86-2.22, PRM-1 Section 2102.3**	Bldg. Depr.	001	4,088		
	Bldg. Depr.	001		3,778	
	Bldg. Depr.	001			2,849
	ME Depr.	002	1,143		
	ME Depr.	002		984	
	ME Depr.	002			927
2. MOVABLE EQUIPMENT DEPRECIATION EXPENSE DISALLOWANCES					
Providers receiving payment on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. The cost information must be current, accurate, and in sufficient detail. Audited movable equipment depreciation expense varied from the expense allowed in the rate resulting in a disallowance. **Regulations: 10 NYCRR Sections 86-2.17(a) & 86-2.22, PRM-1 Sections 2300 & 2304**	ME Depr.	002			548
Total Disallowances/(Allowances)			$ 7,181	$ 4,762	$ 4,324
TOTAL AUDITED PROPERTY EXPENSE			**$ 341,773**	**$ 311,489**	**$ 250,583**