



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

**REVIEW OF MEDICAL AND HEALTH RESEARCH ASSOCIATION  
OF NEW YORK CITY, INC.  
FAMILY PLANNING CHARGEBACK TO  
NETWORK PROVIDERS  
DATES OF SERVICE FROM JANUARY 1, 2007  
THROUGH DECEMBER 31, 2007**

**FINAL AUDIT REPORT**

**James C. Cox  
Acting Medicaid Inspector General  
February 24, 2012**

## **OFFICE OF THE MEDICAID INSPECTOR GENERAL**

[www.omig.ny.gov](http://www.omig.ny.gov)

The mission of the Office of the Medicaid Inspector General (OMIG), as mandated by New York Public Health Law § 31 is to preserve the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds.

### **DIVISION OF MEDICAID AUDIT**

The Division of Medicaid Audit professional staff conducts audits and reviews of Medicaid providers to ensure compliance and program requirements and, where necessary, to recover overpayments. These activities are done to monitor the cost-effective delivery of Medicaid services for prudent stewardship of scarce dollars; to ensure the required involvement of professionals in planning care to program beneficiaries; safeguard the quality of care, medical necessity and appropriateness of Medicaid services provided; and, to reduce the potential for fraud, waste and abuse.

### **DIVISION OF MEDICAID INVESTIGATIONS**

The Division of Medicaid Investigations (DMI) investigates potential instances of fraud, waste, and abuse in the Medicaid program. DMI deters improper behavior by inserting covert and overt investigators into all aspects of the program, scrutinizing provider billing and services, and cooperating with other agencies to enhance enforcement opportunities. Disreputable providers are removed from the program or prevented from enrolling. Recipients abusing the system are not removed from this safety net, but their access to services is examined and restricted, as appropriate. DMI maximizes cost savings, recoveries, penalties, and improves the quality of care for the state's most vulnerable population.

### **DIVISION OF TECHNOLOGY AND BUSINESS AUTOMATION**

The Division of Technology and Business Automation will continue to support the data needs for the OMIG in the form of audit and investigative support, data mining and analysis, system match and recovery, through the use of commercial data mining products and procurement of expert service consultants.

### **OFFICE OF COUNSEL TO THE MEDICAID INSPECTOR GENERAL**

The Office of Counsel to the Medicaid Inspector General promotes the OMIG's overall statutory mission through timely, accurate and persuasive legal advocacy and counsel.

## TABLE OF CONTENTS

	PAGE
BACKGROUND	1
PURPOSE AND SCOPE	2
FINDINGS	2
REPAYMENT OPTIONS	2
HEARING RIGHTS	3
REMITTANCE ADVICE	5
<b>ATTACHMENTS AND SCHEDULES</b>	
ATTACHMENT I – Correspondence Regarding Claims Disputed by Provider	
ATTACHMENT II – Contract between MCO and Provider	
ATTACHMENT III - Capitation Payments Removed from Audit	
ATTACHMENT IV – Inappropriately Billed Claims	



**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 24, 2012

[REDACTED]  
Medical and Health Research Association of New York City, Inc.  
40 Worth St.  
New York, NY 10013

Re: Final Audit Report  
Audit # 11-4687  
Provider [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (the "OMIG") performed an audit of Medicaid payments for family planning and reproductive health services paid to Medical and Health Research Association of New York City, Inc. (the "Provider"), on behalf of Medicaid beneficiaries while they were enrolled in Neighborhood Health Providers LLC (the "Plan"). 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.

The OMIG has received the Provider's response to the OMIG's July 20, 2011 draft report. After reviewing the response, the findings have been adjusted from those cited in the draft report, with overpayments, inclusive of interest, of \$14,884.04.

**BACKGROUND**

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The federal and state governments jointly fund and administer the Medicaid program. In New York State, the Department of Health (DOH) administers the Medicaid program. As part of this responsibility, the OMIG conducts audits and reviews of various 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 by the Departments of Health and Mental Hygiene [Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the Medicaid Provider Manuals.

Federal Medicaid law prohibits any restrictions to access by Medicaid recipients for family planning services. Accordingly, the DOH requires that all participating managed care organizations (MCO) assure individuals of childbearing age access to the full range of family planning and reproductive health services from any qualified provider that undertakes to provide such services to these individuals.

### **PURPOSE AND SCOPE**

The following is pursuant to the terms of the Medicaid managed care contract signed between the MCO and the state and/or local district. If the MCO chooses to receive a monthly capitation payment for covered services, which includes family planning and reproductive health services, the MCO is subsequently responsible to reimburse their network providers for these services provided to the MCO Medicaid enrollees. For family planning and reproductive health services delivered by non-network providers of the MCO, it is the responsibility of the MCO to reimburse Medicaid for those payments that Medicaid disbursed directly to a non-network provider. The review period includes dates of service for January 1, 2007 through December 31, 2007.

### **FINDINGS**

During the course of the OMIG's family planning and reproductive health services claim review with the Plan the OMIG received contractual documents from the Plan that verified the Provider had a participating provider agreement with the Plan to provide services to their enrollees for the year ending December 31, 2007 (Attachment II). As a result of this contractual arrangement, the Plan, and not Medicaid, is responsible to reimburse the Provider for the family planning and reproductive health services provided to the Plan's enrollees during this time period. The Provider submitted a response disputing some claims included in the draft report findings (Attachment I). After reviewing the Provider's response, there was evidence of the Plan denying payment for some claims included in the draft report findings. As a result, these claims, totaling (with interest) \$7,488.46, have been removed from the audit findings (Attachment III).

The audit found that the Provider inappropriately billed Medicaid \$12,926.78 for family planning and reproductive health services that were rendered to the Plan's enrollees for the year ending December 31, 2007 (Attachment IV); a period the Provider had a participating provider contractual agreement with the Plan. As a result §515.2 and §540.6 requirements were violated.

In accordance with 18 NYCRR Section 518.4, interest may be collected and will accrue at the current rate from the date of the overpayment. For the overpayments identified in Attachment IV, the OMIG has determined that accrued interest of \$1,957.26 is owed.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR §518.1 is \$14,884.04, inclusive of interest (Attachment IV). Repayment of \$14,884.04 is due the New York State Department of Health.

### **REPAYMENT OPTIONS**

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 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, B.A.M.  
GNARESP Corning Tower, Room 1237  
Albany, New York 12237-0016

**OPTION #2:** Enter into a repayment agreement with the Office of the Medicaid Inspector General. 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

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 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.

#### **HEARING RIGHTS**

The Provider 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 the Provider wishes to request a hearing, the request must be submitted in writing to:

Page 4  
February 24, 2012

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 [REDACTED] 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 draft audit report. The hearing 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.

At the hearing you have the right to:

- a) be represented by an attorney or other representative, or to represent yourself;
- b) present witnesses and written and/or oral evidence to explain why the action taken is wrong; and
- c) cross examine witnesses of the Department of Health and/or the OMIG.
- d) Have an interpreter if you do not speak English or are deaf.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid Program, take action where appropriate, and recover monies owed through the initiation of a civil lawsuit or other legal mechanisms including but not limited to the recovery of state tax refunds pursuant to Section 206 of the Public Health Law and Section 171-f of the State Tax Law.

If you have any questions regarding the above, please contact [REDACTED] at [REDACTED] or via e-mail at [REDACTED]

Thank you.

Sincerely,

[REDACTED]  
Bureau of Managed Care Audit & Provider Review  
Office of the Medicaid Inspector General

CERTIFIED MAIL # [REDACTED]  
RETURN RECEIPT REQUESTED

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

**NAME AND ADDRESS OF AUDITEE**

Medical and Health Research  
Association of New York City, Inc.  
40 Worth St.  
New York, NY 10013

**AMOUNT DUE: \$ 14,884.04**

**PROVIDER #** [REDACTED]

**AUDIT #** 11-4687

**PROVIDER  
TYPE**

- Fee For Service
- Rate - LTC
- Rate - NH
- Managed Care
- 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, B.A.M.  
GNARESP Corning Tower, Room 1237  
Albany, New York 12237-0016

***Thank you for your cooperation.***