



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

January 24, 2011

Homecare USA, Inc.
929 Wellwood Avenue
Lindenhurst, New York 11757-1229

FINAL AUDIT REPORT
Audit #2010Z09-017G
Provider [REDACTED]

Dear Provider:

The New York State Office of the Medicaid Inspector General (the "OMIG") completed an audit of Medicaid claims paid for Durable Medical Equipment (DME) provided to residents in skilled nursing facilities. In accordance with Section 517.5 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.

After reviewing your response to the OMIG's June 21, 2010 Draft Audit Report, the OMIG reduced the Draft Audit Report disallowances of \$12,318.66 to \$12,208.22 in the Final Report. A detailed explanation of the revision is included in the Final Report.

Based on this determination, restitution of the overpayments as defined in 18 NYCRR 518.1 is required in the amount of \$12,208.22.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described as follows:

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:

Donald Collins
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 1237
Albany, New York 12237

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
Phone #: (518) 474-5878
Fax#: (518) 408-0593

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

The Facility 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), "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 Marianna Geleta at (518) 402-0058.

Sincerely,

A solid black rectangular box redacting the signature of John Ostrowski.

John Ostrowski, Manager
Bureau of Business Intelligence
Office of the Medicaid Inspector General

Enclosure

CERTIFIED MAIL # 7009 3410 0001 1146 8724
RETURN RECEIPT REQUESTED

Policy states: "Claims for durable medical equipment, medical/surgical supplies, prosthetic and orthotic appliances and devices, oxygen and enteral formulae provided to a recipient in a residential health care facility whose Medicaid rate includes the cost of such items, will be denied."

*EMedNY Provider Manual for DME
Version 2004-1, Section III*

Policy states: ". . . a SNF/HRF is required to provide residents with non-prescription drugs, medical/surgical supplies, and general standard and customized medical equipment."

*EMedNY Provider Manual for Residential Health
Version 2006-1, Section II*

Exhibit I is a list of all claims that contain DME billing to Medicaid during a Medicaid patient's stay in a SNF. These claims should have been submitted to the SNF provider for payment. Submitting these claims to Medicaid resulted in an overpayment of \$10,997.14 .

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 \$1,211.08.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR 518.1(c) is \$12,208.22, inclusive of interest. Restitution of \$12,208.22 is due the New York State Department of Health.