



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

January 23, 2014

[REDACTED]
Pine Haven Home SNF
Route 217
Philmont, New York 12565

Re: Medicaid PRI Audit #11-1044
NPI Number: [REDACTED]
Provider Number: [REDACTED]

Dear [REDACTED]

This is the final audit report of findings with regard to the Office of the Medicaid Inspector General's ("OMIG") Patient Review Instruments ("PRI") audit of Pine Haven Home SNF ("Facility") for the audit period July 1, 2005 through December 31, 2008. In accordance with 18 NYCRR Section 517.6, this final audit report represents the OMIG's final determination on issues raised in the draft audit report.

Since you did not respond to our revised draft audit report dated October 2, 2013, the findings in the final audit report remain identical to the (revised) draft audit report. The OMIG has attached the sample detail for the paid claims determined to be in error.

The findings applicable to the October 1, 2006 through March 31, 2009 Medicaid rates resulted in a Medicaid overpayment of \$68,211 as detailed in Attachment A. This overpayment is subject to Department of Health ("DOH") and Division of Budget ("DOB") final approval. While not anticipated, any difference between the calculated overpayment and the final DOH and DOB amount will be resolved with the Facility by the OMIG Bureau of Collections Management. The finding explanation, regulatory reference, and applicable adjustment can be found in the exhibits following Attachment A.

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:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #11-1044
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
[REDACTED]

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 the Office of Counsel, at [REDACTED]

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.

Should you have any questions regarding the above, please contact [REDACTED] at [REDACTED] or through email at [REDACTED]

Sincerely,

[REDACTED]
Division of Medicaid Audit
Office of the Medicaid Inspector General

Attachments:

- ATTACHMENT A - Calculation of Medicaid Overpayment
- ATTACHMENT B - Change in RUG Counts for PRIs submitted on October 18, 2006
- ATTACHMENT C - Detailed Findings by Sample Number
- ATTACHMENT D - Detailed Findings by Disallowance

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED

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

NAME AND ADDRESS OF AUDITEE

[REDACTED]
Pine Haven Home SNF
Route 217
Philmont, New York 12565

AMOUNT DUE: \$68,211

NPI #: [REDACTED]
PROVIDER #: [REDACTED]

AUDIT #11-1044

**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:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #11-1044
Albany, New York 12237-0048

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

[REDACTED]

CORRECT PROVIDER NUMBER

ATTACHMENT A

OFFICE OF THE MEDICAID INSPETOR GENERAL
 PINE HAVEN HOME SNF
 CALCULATION OF MEDICAID OVERPAYMENT

<u>Service</u>	<u>Effective Period</u>	<u>Part B Non-Elig.</u>		<u>Part B-Elig</u>		<u>Difference</u>	<u>Medicaid Days</u>	<u>Medicaid Impact</u>
		<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>			
NF	10/01/06 - 12/31/06	150.24	149.33	150.24	149.33	0.91	8402	\$ 7,646
NF	01/01/07 - 03/31/07	162.83	161.87	162.83	161.87	0.96	8038	7,716
NF	04/01/07 - 08/31/07	161.91	160.96	161.91	160.96	0.95	12237	11,625
NF	09/01/07 - 12/31/07	161.91	160.96	161.91	160.96	0.95	9114	8,658
NF	01/01/08 - 03/31/08	168.23	167.26	168.23	167.26	0.97	6589	6,391
NF	04/01/08 - 12/31/08	167.03	166.07	167.03	166.07	0.96	20409	19,593
NF	01/01/09 - 03/31/09	161.00	160.01	161.00	160.01	0.99	6648	6,582
TOTAL MEDICAID OVERPAYMENT								<u>\$ 68,211</u>

NOTE: Impact of the Dementia Per Diem Calculation handled as per diem disallowances on Schedule VII

OFFICE OF THE MEDICAID INSPECTOR GENERAL
PINE HAVEN HOME SNF
CHANGE IN RUG CATEGORIES
OCTOBER 18, 2006

RUG CATEGORY	CHANGE IN RUG CATEGORY			ADJUSTED
	REPORTED	INCREASE	DECREASE	
BA	0			0
BB	0			0
BC	0			0
CA	4			4
CB	11		1	10
CC	6			6
CD	1			1
PA	22	2		24
PB	4		1	3
PC	35			35
PD	9			9
PE	2			2
RA	6			6
RB	10			10
SA	3			3
SB	1			1
TOTAL	114	2	2	114

Dementia Patient Per Diem Calculation

CA	1		1	0
BA	0			0
PA	3		3	0
PB	0			0
TOTAL	4	0	4	0

Sample #	DOB	Initials	PRIDate	Reported		Derived		Disallow Primary Medical Problem	Disallow Physician Add-on	Disallow Transfer	Disallow Tolerating	Disallow Stasis/Ulcer	Disallow Oxygen	Disallow Eating
				RUG	Weight	RUG	Weight							
26			10/16/2006	CC	1.32	CC	1.32							
27			10/17/2006	CC	1.32	CC	1.32							
28			10/17/2006	CC	1.32	CC	1.32							
29			10/17/2006	CC	1.32	CC	1.32							
30			10/12/2006	CB	1.18	PC	1.03	X						
31			10/12/2006	CB	1.18	CB	1.18							
32			10/13/2006	CB	1.18	CB	1.18							
33			10/13/2006	CB	1.18	CB	1.18							
34			10/16/2006	CB	1.18	CB	1.18							
35			10/16/2006	CB	1.18	CB	1.18							
36			10/16/2006	CB	1.18	CB	1.18	X						
37			10/16/2006	CB	1.18	CB	1.18							
38			10/16/2006	CB	1.18	CB	1.18							
39			10/16/2006	CB	1.18	CB	1.18							
40			10/18/2006	CB	1.18	CB	1.18							
41			10/13/2006	PD	1.17	PD	1.17							
42			10/16/2006	PD	1.17	PD	1.17							
43			10/16/2006	PD	1.17	PD	1.17							
44			10/16/2006	PD	1.17	PD	1.17							
45			10/17/2006	PD	1.17	PD	1.17							
46			10/17/2006	PD	1.17	PD	1.17							
47			10/17/2006	PD	1.17	PD	1.17							
48			10/17/2006	PD	1.17	PD	1.17							
49			10/17/2006	PD	1.17	PD	1.17							
50			10/12/2006	PC	1.03	PC	1.03							

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 REVIEW OF PATIENT REVIEW INSTRUMENT
 PINE HAVEN HOME SNF
 AUDIT #11-1044

Sample #	DOB	Initials	PRIDate	Reported		Derived		Reported		Derived		Detailed Findings
				RUG	Weight	RUG	Weight	RUG	Weight	RUG	Weight	
51			10/12/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	Disallow Primary Medical Problem
52			10/13/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	Disallow Physician Add-on
53			10/13/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	Disallow Transfer
54			10/13/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	Disallow Toiletting
55			10/13/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	Disallow Stasis/Ulcer
56			10/14/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	Disallow Oxygen
57			10/14/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	Disallow Eating
58			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
59			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
60			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
61			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
62			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
63			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
64			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
65			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
66			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
67			10/16/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
68			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
69			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
70			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
71			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
72			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
73			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
74			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	
75			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03	

X

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 REVIEW OF PATIENT REVIEW INSTRUMENT
 PINE HAVEN HOME SNF
 AUDIT #11-1044

Sample #	DOB	Initials	PRIDate	Reported		Derived		Reported		Derived		Disallow Primary Medical Problem	Disallow Dementia Add-on	Disallow Physician Visits	Disallow Transfer	Disallow Toileting	Disallow Stasis/Ulcer	Disallow Oxygen	Disallow Eating
				RUG	Weight	RUG	Weight	RUG	Weight	RUG	Weight								
76			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
77			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
78			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
79			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
80			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
81			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
82			10/17/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
83			10/17/2006	PC	1.03	PB	0.83	PC	1.03	PB	0.83			X					
84			10/18/2006	PC	1.03	PC	1.03	PC	1.03	PC	1.03								
85			10/15/2006	PB	0.83	PB	0.83	PB	0.83	PB	0.83								
86			10/16/2006	PB	0.83	PA	0.55	PB	0.83	PA	0.55								
87			10/17/2006	PB	0.83	PB	0.83	PB	0.83	PB	0.83								
88			10/17/2006	PB	0.83	PA	0.55	PB	0.83	PA	0.55								
89			10/13/2006	CA	0.7	CA	0.7	CA	0.7	CA	0.7								
90			10/16/2006	CA	0.7	CA	0.7	CA	0.7	CA	0.7								
91			10/16/2006	CA	0.7	CA	0.7	CA	0.7	CA	0.7								
92			10/17/2006	CA	0.7	CA	0.7	CA	0.7	CA	0.7								
93			10/13/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								
94			10/13/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								
95			10/13/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								
96			10/13/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								
97			10/15/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								
98			10/15/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								
99			10/16/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								
100			10/16/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55								

DETAILED FINDINGS

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 REVIEW OF PATIENT REVIEW INSTRUMENT
 PINE HAVEN HOME SNF
 AUDIT #11-1044

Sample #	DOB	Initials	PRIDate	Reported		Derived		Reported		Derived		Detailed Findings								
				RUG	Weight	RUG	Weight	RUG	Weight	RUG	Weight									
101			10/16/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55	Disallow Primary Medical Problem								
102			10/16/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55	X								
103			10/16/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55	X								
104			10/16/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
105			10/16/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
106			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
107			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
108			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
109			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
110			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
111			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
112			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
113			10/17/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
114			10/18/2006	PA	0.55	PA	0.55	PA	0.55	PA	0.55									
Totals												5	4	3	2	2	1	1	1	1

PINE HAVEN HOME SNF DETAILED FINDINGS

PRI FINDINGS

Sample Selection

Stasis Ulcer

The PRI instructions/clarifications define a stasis ulcer as *“open lesion, usually in lower extremities, caused by decreased blood flow from chronic venous insufficiency.”*

10 NYCRR Section 86-2.30 (II) 17D

In 1 instance, documentation did not support the definition of stasis ulcer. 4

Oxygen - (Daily)

PRI instructions/clarifications state *“For medical treatments having a daily frequency requirement, treatments must be provided every day of the four week period.”*

10 NYCRR Section 86-2.30 (II) 18C

In 1 instance, documentation did not support the daily frequency requirement for oxygen. 4

Eating

PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 19

Level 3 eating continual help *“means that the patient requires a staff person's continual presence and help for reasons such as: patient tends to choke, has a swallowing problem, is learning to feed self, or is quite confused and forgets to eat.”*

In 1 instance, documentation did not support continual help with eating. 83

Toileting

The PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 22

Level 5 toileting resident is *“incontinent of bowel and/or bladder but is taken to a bathroom every two to four hours during the day and as needed at night.”* Additionally, PRI clarifications state that *“the resident’s care plan must establish a toileting assistance program that is based on an assessment of the resident’s needs. The assessment should establish the needs of the resident which lead to the development of the program.”* To meet Toileting Level 5 there must be a *“care plan established for the resident based on an assessment.”* The toileting schedule must include *“the name or initials of the health care worker performing the toileting assistance and the specific time the toileting assistance was provided must be present in each instance assistance is provided.”*

In 2 instances, documentation did not support an individualized toileting schedule, the specific time the resident was toileted, the toileting schedule contained blanks, and/or or the toileting schedule contained intervals greater than four hours.

83, 86

Number of Physician Visits

The PRI instructions/clarifications state that allowable physician visits are those in which *“the patient has a medical condition that (1) is unstable and changing or (2) is stable, but there is high risk of instability.”*

10 NYCRR Section 86-2.30 (V) 28

In 3 instances, documentation did not support the number of physician visits claimed were for unstable or potentially unstable conditions.

3, 4, 14

Primary Medical Problem

The PRI instructions/clarifications state: *“The primary medical problem should be selected based on the condition that has created the most need for nursing time during the past four weeks.”*

10 NYCRR Section 86-2.30 (i) (VI) 30

In 5 instances, documentation did not support that the primary medical problem (ICD-9 code) was based on the condition that created the most need for nursing time. 4, 9, 14, 30, 36

Dementia Add-on

PRI instructions/clarifications state: *“Facilities to whom the additional amount is paid shall demonstrate and document positive outcomes from the implementation or continuation of programs to improve the care of eligible dementia patients.”*

10 NYCRR Section 86-2.10 (o)

In 4 instances, there was no documentation found in the record of activities that meet these criteria. 91, 93, 101, 103

Transfer

The PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 21

Level 3 transfer continuous assistance; *“requires one person to provide constant guidance, steadiness and/or physical assistance. Patient may participate in transfer.”*

In 1 instance, documentation did not support constant guidance or physical assistance in transfer. 88

Level 4 transfer *“requires two people to provide constant supervision and/or physically lift. May need lifting equipment. Documentation must support a logical medical reason why the patient required two people to transfer.”*

In 1 instance, documentation did not support the resident; required two people or the use of lifting equipment to transfer. 65

RUGS-II Classifications Overturned

In 4 instances, the RUG-II classifications were overturned. 30, 83, 86, 88

10 NYCRR Section 86-2.11