



NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF INDEPENDENCE CARE SYSTEM, INC.'S
CAPITATION PAYMENTS FOR DECEASED MANAGED CARE ENROLLEES
FEBRUARY 1, 2009 – SEPTEMBER 23, 2013

FINAL AUDIT REPORT
AUDIT #13-7093

James C. Cox
Medicaid Inspector General

January 29, 2014

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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 29, 2014

[REDACTED]
Independence Care System, Inc.
257 Park Avenue 2nd Floor
New York, New York 10010

Re: Final Audit Report
Audit # 13-7093
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where Independence Care System, Inc. (Plan) received monthly Medicaid and/or Family Health Plus capitation payments in months subsequent to the enrollee's month of death. In accordance with the Medicaid Managed Long Term Care Model Contract (Contract) and Section 517.6 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (NYCRR), this report represents the final determination on the issues found during the OMIG's review.

BACKGROUND

The New York State Department of Health (the Department) is the state agency responsible for the administration of the Medicaid program. As part of its responsibility as an entity within the Department, the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at assessing provider compliance with applicable laws, regulations, rules and policies of the Medicaid program as set forth in New York Public Health Law, New York Social Services Law, the regulations of the Department (Titles 10 and 18 of NYCRR), the regulations of the Office of Mental Health (Title 14 of the NYCRR), and the Department's Medicaid Provider Manuals, *Medicaid Update* publications and any applicable contracts.

PURPOSE AND SCOPE

The purpose of this audit was to identify instances where the Plan received a capitation payment subsequent to the enrollee's month of death. These cases were identified by a computerized match comparing Medicaid and Family Health Plus managed care enrollees to New York State and New York City Vital Statistic death record information. The review includes all dates of death reported through April 1, 2013 to Vital Statistics.

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Article VI, (F) (1) (Department Right to Recover Premiums), the OMIG, on behalf of the Department, has the right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to have been ineligible for the entire applicable payment month.

FINDINGS

A Draft Audit Report was issued on December 20, 2013 identifying \$39,748.95 in overpaid capitation payments made to the Plan for periods subsequent to the enrollee's month of death. In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Article VI, (F) (1), the OMIG, on behalf of the Department, has the right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to have been ineligible for the entire applicable payment month. The total amount of overpayment as defined in 18 NYCRR 518.1 is \$39,748.95. The Plan confirmed the findings of the Draft Audit Report by submitting voids totaling \$39,748.95 for the 9 claims identified in the Draft Audit Report (Attachment I); there is no balance due the New York State Department of Health.

PROVIDER RIGHTS

The Plan 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 the Plan wishes 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, the Plan may have a person represent the Plan or the Plan may represent itself. If the Plan chooses to be represented by someone other than an attorney, the Plan must supply along with the Plan's hearing request a signed authorization permitting that person to represent the Plan at the hearing; the Plan may call witnesses and present documentary evidence on the Plan's behalf.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid program, take action where appropriate, and recover any associated overpayments. Please contact [REDACTED] or via e-mail at [REDACTED] should you have any questions regarding the above. Thank you for your cooperation.

Sincerely,

[REDACTED]

Division of Medicaid Audit, Albany Office
Office of the Medicaid Inspector General

Enclosures
CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED