



NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF SYRACUSE PHSP'S
CAPITATION PAYMENTS FOR DECEASED MANAGED CARE ENROLLEES
FEBRUARY 1, 2009 – SEPTEMBER 23, 2013

FINAL AUDIT REPORT
AUDIT #13-7101

James C. Cox
Medicaid Inspector General

January 29, 2014

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ATTACHMENTS AND SCHEDULES

- ATTACHMENT I – Provider Response
- ATTACHMENT II – Final Report Overpayments



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]
Syracuse PHSP, SCHC Total Care, Inc.
819 South Salina Street
Syracuse, New York 13202

Re: Final Audit Report
Audit # 13-7101
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where Syracuse PHSP (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 Care/Family Health Plus/HIV Special Needs Plan 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 Section 3.6 (SDOH Right to Recover Premiums) and Appendix H, 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 16, 2014 identifying \$16,553.96 in overpaid capitation payments made to the Plan for periods subsequent to the enrollee's month of death. In its January 21, 2014 response the Plan agreed with the findings of the Draft Audit Report (Attachment I). In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6 and Appendix H, the OMIG, on behalf of the Department, has the right to recover premiums paid to the Plan.

The total amount of overpayment as defined in 18 NYCRR 518.1 is \$16,553.96 which is due the New York State Department of Health (Attachment II).

PAYMENT 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 Audit Report. The check should be made payable to the New York State Department of Health, include the audit number and be sent with the attached Remittance Advice to:

[REDACTED]
New York State Department of Health
Medicaid Financial Management, B.A.M.
GNARESP Corning Tower, Room 2739
File # 13-7101
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 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 you 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 fail to 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.

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

January 29, 2014

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] for the disk password or if 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

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

NAME AND ADDRESS OF AUDITEE

Syracuse PHSP, SCHC Total Care, Inc.
819 South Salina Street
Syracuse, New York 13202

PROVIDER #: [REDACTED]

AUDIT #13-7101

AMOUNT DUE: \$16,553.96

**AUDIT
TYPE**

[] PROVIDER
[] RATE-LTC
[] RATE-NH
[X] MANAGED
CARE

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 #13-7101
Albany, New York 12237-0048

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