



NEW YORK STATE  
DEPARTMENT OF HEALTH  
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF STEUBEN CHURCH PEOPLE A/P  
CLAIMS FOR OMH REHABILITATIVE SERVICES  
PAID FROM  
JUNE 1, 2004 – MAY 31, 2008

FINAL AUDIT REPORT

James C. Cox  
Medicaid Inspector General

July 31, 2012



STATE OF NEW YORK  
OFFICE OF THE MEDICAID INSPECTOR GENERAL  
259 Monroe Avenue, Suite 312  
Rochester, NY 14607

ANDREW M. CUOMO  
GOVERNOR

JAMES C. COX  
MEDICAID INSPECTOR GENERAL

July 31, 2012

[REDACTED]  
Steuben Church People A/P  
16 West William Street  
Bath, New York 14810

Re: Final Audit Report  
Audit #: 09-4187

Dear [REDACTED]:

Enclosed is the Office of the Medicaid Inspector General (OMIG) final audit report entitled "Review of Steuben Church People A/P" (Steuben) paid claims for OMH Rehabilitative Services covering the period June 1, 2004, through May 31, 2008.

In the attached final audit report, the OMIG has detailed our objectives and scope, procedures, laws, regulations, rules and policies, sampling technique, findings, provider rights, and statistical analysis.

The OMIG has attached the sample detail for the paid claims determined to be in error. This final audit report incorporates consideration of any additional documentation and information presented in response to the draft audit report dated May 19, 2010. Based on your response, both the mean point estimate overpaid and the lower confidence level of the amount overpaid has been reduced by \$1,896.00. The adjusted mean point estimate overpaid is \$160,687.00. The adjusted lower confidence limit of the amount overpaid is \$25,337.00. We are 95% certain that the actual amount of the overpayment is greater than the lower confidence limit. This audit may be settled through repayment of the adjusted lower confidence limit of \$25,337.00.

[REDACTED]  
Page 2  
July 31, 2012

If Steuben has any questions or comments concerning this report, please contact [REDACTED] at [REDACTED] or through email at [REDACTED]. Please refer to report number 09-4187 in all correspondence.

Sincerely,

[REDACTED]

Division of Medicaid Audit  
Rochester Office  
Office of the Medicaid Inspector General

[REDACTED]  
Enclosure

CERTIFIED MAIL # [REDACTED]  
RETURN RECEIPT REQUESTED

## **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 assess 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 assess 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.

## **EXECUTIVE SUMMARY**

### **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 conducted to determine if the provider complied 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.

Reimbursement under the Medicaid Program is available for OMH Rehabilitative Services provided by residential programs that are licensed in accordance with the provisions of Article 31 of the Mental Hygiene Law. Residential programs primarily have a rehabilitative focus and provide an array of rehabilitative and supportive services to individuals diagnosed with severe and persistent mental illness. The purpose of these programs is to provide varied services which support and assist individuals with their goal of integration into the community.

OMH Rehabilitative Services provided by residential programs are based upon a comprehensive client assessment and must have the written authorization of a physician. Providers must implement an individualized written service plan for each resident identifying the specific services to be offered. These services are intended to focus on improving or maintaining resident skills that would enable an individual to remain living in community housing. The specific standards and criteria for OMH Rehabilitative Services within residential programs are outlined in Title 14 NYCRR Parts 593, 594 and 595. The MMIS Provider Manual pertaining to OMH Rehabilitation In Community Residences also provides program guidance in claiming Medicaid reimbursement for OMH Rehabilitative Services.

### **PURPOSE AND SCOPE**

The purpose of this audit was to determine whether the Steuben Church People A/P's (Steuben's) claims for Medicaid reimbursement for OMH Rehabilitative Services complied with applicable federal and state laws, regulations, rules and policies governing the New York State Medicaid Program. With respect to OMH Rehabilitative Services, this audit covered services paid by Medicaid from June 1, 2004, through May 31, 2008.

### **SUMMARY OF FINDINGS**

We inspected a random sample of 100 services with \$152,082.95 in Medicaid payments. Of the 100 services in our random sample, 5 services had at least one error and did not comply with state requirements. Of the 5 non-compliant services, none contained more than one deficiency. Specifics are as follows:

<u>Error Description</u>	<u>Number of Errors</u>
Missing Service Plan/Service Plan Review	2
No Documentation of Rehabilitative Service	1
Failure to Perform Rehabilitative Services on Different Days	1
Failure to Document Four Different Rehabilitative Services For a Full Month Claim	1

Based on the procedures performed, the OMIG has determined that Steuben was overpaid \$6,458.01 in sample overpayments with an extrapolated point estimate of \$178,822.00. The lower confidence limit of the amount overpaid is \$43,472.00. The extrapolated point estimate and the lower confidence limit are then reduced by \$16,239.00, the OMH required exempt income recoupment payment for 2006 and January through May, 2008. Steuben made this payment to NYS DOH. In addition, the extrapolated point estimate and the lower confidence limit are also reduced by \$1,896.00, the Medicaid paid amount for Sample #7, Date of Service April 1, 2008, that was voided by Steuben's third party biller on August 24, 2009. The adjusted extrapolated point estimate is \$160,687.00 and the adjusted lower confidence limit is \$25,337.00. The OMH has stated that, for funds OMH has not transmitted for exempt income recoupment yet, OMH will confirm any payment made to the OMIG and adjust OMH's receivable as warranted.

Please be aware that the OMIG will revise the audit disallowance in the event of: 1) changes in the exempt income recovery based on pending appeals or 2) reversal of any exempt income adjustment in the event that the exempt income recoveries are overturned pursuant to the pending Article 78 proceeding against the State.

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## INTRODUCTION

### BACKGROUND

#### Medicaid Program

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.

#### New York State's Medicaid Program

In New York State, the Department of Health (DOH) is the State agency responsible for operating the Medicaid program. Within DOH, the Office of Health Insurance Programs administers the Medicaid program. DOH uses the electronic Medicaid New York Information system (eMedNY), a computerized payment and information reporting system, to process and pay Medicaid claims, including OMH Rehabilitative Services claims.

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 conducted to determine if the provider complied 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.

#### New York State's OMH Rehabilitative Services Program

OMH Rehabilitative Services provided by residential programs are based upon a comprehensive client assessment and must have the written authorization of a physician. Providers must implement an individualized written service plan for each resident identifying the specific services to be offered. These services are intended to focus on improving or maintaining resident skills that would enable an individual to remain living in community housing. The specific standards and criteria for OMH Rehabilitative Services within residential programs are outlined in Title 14 NYCRR Parts 593, 594 and 595. The MMIS Provider Manual pertaining to OMH Rehabilitation In Community Residences also provides program guidance in claiming Medicaid reimbursement for OMH Rehabilitative Services.

### PURPOSE, SCOPE, AND METHODOLOGY

#### Purpose

The purpose of this audit was to determine whether Steuben's claims for Medicaid reimbursement for OMH Rehabilitative Services complied with applicable federal and state laws, regulations, rules and policies governing the New York State Medicaid Program and to verify that for OMH Rehabilitative Services complied with

- Medicaid reimbursable services were rendered for the dates billed;
- appropriate rate or procedure codes were billed for services rendered;
- patient related records contained the documentation required by the regulations; and,

- claims for payment were submitted in accordance with DOH regulations and the appropriate Provider Manuals.

## **Scope**

Our audit period covered payments to Steuben for OMH Rehabilitative Services paid by Medicaid from June 1, 2004, through May 31, 2008. Our audit universe consisted of 2,769 claims totaling \$4,190,589.89.

During our audit, we did not review the overall internal control structure of Steuben. Rather, we limited our internal control review to the objective of our audit.

## **Methodology**

To accomplish our objective, we:

- reviewed applicable federal and state laws, regulations, rules and policies;
- held discussions with Steuben management personnel to gain an understanding of the OMH Rehabilitative Services program;
- ran computer programming application of claims in our data warehouse that identified 2,769 paid OMH Rehabilitative Services claims, totaling \$4,190,589.89;
- selected a random sample of 100 services from the population of 2,769 services; and,
- estimated the overpayment paid in the population of 2,769 services.

For each sample selection we inspected, as available, the following:

- Medicaid electronic claim information
- Patient record, including, but not limited to:
  - Physician Authorizations/Reauthorizations for Service
  - Admission Notes
  - Service Plans
  - Quarterly Service Plan Reviews
  - Progress Notes
  - Service Documentation
- Any additional documentation deemed by Steuben necessary to substantiate the Medicaid paid claim

## LAWS, REGULATIONS, RULES AND POLICIES

The following are applicable Laws, Regulations, Rules, and Policies of the Medicaid program referenced when conducting this audit:

- 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 (10 NYCRR, 14 NYCRR, 18 NYCRR)].
- Medicaid Management Information System and eMedNY Provider Manual.
- Specifically, Social Services Law §364 and §364-a and Article 31 Mental Hygiene Law.
- In addition to any specific detailed findings, rules and/or regulations which may be listed below, the following regulations pertain to all audits:

Regulations state: "By enrolling the provider agrees: (a) to prepare and to maintain contemporaneous records demonstrating its right to receive payment . . . and to keep for a period of six years from the date the care, services or supplies were furnished, all records necessary to disclose the nature and extent of services furnished and all information regarding claims for payment submitted by, or on behalf of, the provider . . . (e) to submit claims for payment only for services actually furnished and which were medically necessary or otherwise authorized under the Social Services Law when furnished and which were provided to eligible persons; (f) to submit claims on officially authorized claim forms in the manner specified by the department in conformance with the standards and procedures for claims submission; . . . (h) that the information provided in relation to any claim for payment shall be true, accurate and complete; and (i) to comply with the rules, regulations and official directives of the department."  
*18 NYCRR Section 504.3*

Regulations state: "All bills for medical care, services and supplies shall contain: . . . (8) a dated certification by the provider that the care, services and supplies itemized have in fact been furnished; that the amounts listed are due and owing . . . ; that such records as are necessary to disclose fully the extent of care, services and supplies provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years from the date of payment . . . ; and that the provider understands that payment and satisfaction of this claim will be from Federal, State and local public funds and that he or she may be prosecuted under applicable Federal and State laws for any false claims, statements or documents, or concealment of a material fact provided. . . ."

*18 NYCRR Section 540.7(a)*

Regulations state: "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."  
*18 NYCRR Section 518.1(c)*

Regulations state: "An unacceptable practice is conduct by a person which is contrary to: . . . (2) the published fees, rates, claiming instructions or procedures of the department" and "(3) the official rules and regulations of the Departments of Health, Education and Mental Hygiene. . . ."

*18 NYCRR Section 515.2(a)*

Furthermore, according to regulations, all providers must prepare and maintain contemporaneous records demonstrating their right to receive payment under the medical assistance program. In addition, the provider must keep, for a period of six years, all records necessary to disclose the nature and extent of services furnished and the medical necessity therefore, including any prescription or fiscal order for the service or supply. This information is subject to audit for a period of six years and must be furnished, upon request.

*18 NYCRR Section 517.3(b)*

## DETAILED FINDINGS

The OMIG's review of Medicaid claims paid to Steuben from June 1, 2004, through May 31, 2008, identified 5 claims with at least one error, for a total sample overpayment of \$6,458.01 (Attachment C).

### Sample Selection

#### 1. Missing Service Plan Review 9, 96

Regulations state, "Community rehabilitation services shall be provided in accordance with a service plan developed within four weeks of admission to the program."

Regulations also state, "The service plan shall be reviewed at least every three months with the initial review occurring three months from the date of admission."

Regulations require Medicaid providers to develop "an individualized written service plan which shall be based upon psychiatric rehabilitation principles of participation and individual resident choice."

Regulations state, "The individualized written service plan shall be reviewed at least once every three months, with the initial review occurring three months from the date of admission."

In addition, "Services provided within a residential program shall be in accordance with a service plan developed within four weeks of admission to the program."

The Medicaid OMH Certified Rehabilitation Services Manual states, "A written service plan for each client in any Licensed Residential/Housing Program is required."

*14 NYCRR Section 593.6(c),  
14 NYCRR Section 593.6(f),  
14 NYCRR Section 595.1(b),  
14 NYCRR Section 595.11(d),  
14 NYCRR Section 595.11(a) and  
NYS Medicaid OMH Certified Rehabilitation  
Services Provider Manual Policy Guidelines,  
Section I*

In 2 instances pertaining to 2 patients, the record did not contain a service plan or required service plan review.

**2. No Documentation of Service**

7

Regulations require that the Medicaid provider agrees, “to prepare and to maintain contemporaneous records demonstrating its right to receive payment under the medical assistance program and to keep for a period of six years . . . all records necessary to disclose the nature and extent of services furnished. . . .”

Regulations state, “There shall be a complete case record maintained for each resident. Such case record shall be maintained in accordance with recognized and acceptable principles of recordkeeping....”

The Medicaid OMH Certified Rehabilitation Services Manual states, “All services and contacts must be recorded for audit purposes.”

*18 NYCRR Section 504.3(a),  
14 NYCRR Section 595.14(a) and  
NYS Medicaid OMH Certified Rehabilitation  
Services Provider Manual Policy Guidelines, Section  
III*

In 1 instance, the record did not document the rehabilitative service.

**3. Failure to Perform CR Services on Different Days**

57

Regulations state, “Only one contact can be counted each day and such contact shall be at least 15 minutes in duration.”

The Medicaid OMH Certified Rehabilitation Services Manual requires, “one contact/day of at least 15 minutes duration.”

*14 NYCRR Section 593.7(b)(3)  
NYS Medicaid OMH Certified Rehabilitation  
Services Provider Manual Policy Guidelines, Section  
III*

In 1 instance, the community rehabilitative services provided were not performed on different days of the month.

**4. Failure to Document Four Different Services in a Month** 99

Regulations state, "At least four different community rehabilitative services must have been provided," in order to be reimbursed for a full monthly rate.

The Medicaid OMH Certified Rehabilitation Services Manual states, "Full month billing requires as a minimum: ...Four different rehabilitation services."

*14 NYCRR Section 593.7(b)(1)*  
*NYS Medicaid OMH Certified Rehabilitation Services Provider Manual, Section III*

In 1 instance, the record did not document that four different community rehabilitative services were provided in the month claimed.

## PROVIDER RIGHTS

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below. If you decide to repay the adjusted lower confidence limit amount of \$25,337.00, one of the following repayment options must be selected within 20 days from the date of this letter:

**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:

  
New York State Department of Health  
Medicaid Financial Management  
GNARESP Corning Tower, Room 2266  
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 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.

Furthermore, 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  


**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 recover payment and liquidate the adjusted lower confidence limit 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.**

If you choose not to settle this audit through repayment of the adjusted lower confidence limit, you have the right to challenge these findings by requesting an administrative hearing where the OMIG would seek and defend the adjusted point estimate of \$160,687.00. As allowed by state regulations, you must make your request for a hearing, in writing, within sixty (60) days of the date of this report 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 [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. Your hearing request 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.

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.

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

**NAME AND ADDRESS OF AUDITEE**

██████████  
Steuben Church People A/P  
16 West William Street  
P.O. Box 31  
Bath, New York 14810

**PROVIDER ID** ██████████

**AUDIT #09- 4187**

**AMOUNT DUE: \$25,337.00**

**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:

██████████  
New York State Department of Health  
Medicaid Financial Management  
GNARESP Corning Tower, Room 2266  
File #09-4187  
Albany, New York 12237

*Thank you for your cooperation.*

## **SAMPLE DESIGN AND METHODOLOGY**

Our sample design and methodology are as follows:

- Universe - Medicaid claims for OMH Rehabilitative Services paid during the period June 1, 2004, through May 31, 2008.
- Sampling Frame - The sampling frame for this objective is the Medicaid electronic database of paid Steuben claims for OMH Rehabilitative Services paid during the period June 1, 2004, through May 31, 2008.
- Sample Unit - The sample unit is a Medicaid claim paid during the period June 1, 2004, through May 31, 2008.
- Sample Design – Simple sampling was used for sample selection.
- Sample Size – The sample size is 100 services.
- Source of Random Numbers – The source of the random numbers was the OMIG statistical software. We used a random number generator for selecting our random sampling items.
- Characteristics to be measured - Adequacy of documentation received supporting the sample claims.
- Treatment of Missing Sample Services - For purposes of appraising items, any sample service for which Steuben could not produce sufficient supporting documentation was treated as an error.
- Estimation Methodology – Estimates are based on the sample data using per unit estimates.

### SAMPLE RESULTS AND ESTIMATES

Universe Size	2,769
Sample Size	100
Sample Book Value	\$152,082.95
Sample Overpayments	\$6,458.01
Net Financial Error Rate	4.2%
Mean Dollars in Error	\$64.5801
Standard Deviation	299.93
Point Estimate of Total Dollars	\$178,822.00
Adjusted Point Estimate of Total Dollars**	\$160,687.00
Confidence Level	90%
Lower Confidence Limit	\$43,472.00
Adjusted Lower Confidence Limit **	\$25,337.00

\*\*The Adjusted Point Estimate of Total Dollars and the Adjusted Lower Confidence Limit reflect 2 adjustments totaling \$18,135.00:

1. **Per an agreement between OMIG and OMH, the Exempt Income Recoupment (EIR) shall be applied to reduce the restitution sought by OMIG.** Steuben Church People A/P's EIR paid to NYS OMH was \$16,239.00 for 2006, and January through May of 2008.
2. A reduction is also taken for \$1,896.00, the Medicaid paid amount for Sample #7, Date of Service 4/1/08, the claim that was voided by Steuben's third party biller on 8/24/09.

**STEBEN CHURCH PEOPLE A/P - AUDIT #09-4187  
PROVIDER DRAFT REPORT COMMENTS AND OMIG RESPONSE**

All OMIG findings were accepted by the Provider except for those shown below. The following details the disposition of final audit report adjustments after consideration of the Provider's draft audit report response comments.

**Finding – No Documentation of Service**

**Sample #7**

**Provider Comment**

"In this case, Paul T. Graham and Associates, the third party billing company for Arbor Development (a.k.a. Steuben Church People A/P) Medicaid billing, was in error. We have attached the following documents that we believe support our position:

- The Arbor Development Billing Report covering 03/01/2008-03/31/2008 indicates Arbor Development did not request Medicaid payment for the month in question.
- The letter from Paul T. Graham & Associates that assumes responsibility for the error and indicates the error happened in their facility. Additionally, we were advised by Paul T. Graham & Associates that Medicaid deducts the error from the future reimbursements.
- Medicaid Remittance number #09082407911 which indicates that the amount of \$1,896.14 was recaptured.

We believe the erroneous billing amount and its resultant extrapolation should not be a valid finding within the scope and objective of the audit which "was to ensure Steuben Church People Against Poverty compliance with applicable federal and state laws, regulations, rules and policies governing the New York State Medicaid Program."

**OMIG Response**

The regulations require the provider to prepare and to maintain contemporaneous records demonstrating its right to receive payment. Arbor Development admits no service was provided on the service date for sample # 7 in which Medicaid paid \$1,896.14. Although the third party biller assumes responsibility for the billing error, this does not exonerate Arbor Development from the responsibility of submitting valid claims, and returning overpayments. We have verified that the sampled claim in question was voided by the provider on 8/24/2009, subsequent to the start of our audit.

**Disposition:** The documentation provided does not substantiate the need to eliminate this finding, although due to the fact the sampled claim has already been voided, we are reducing the Lower Confidence Limit by \$1,896.00. Representatives of Arbor Development agreed to this treatment of the finding at a meeting held June 27, 2012.

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
 STEUBEN CHURCH PEOPLE A/P  
 REVIEW OF SAMPLE SELECTION  
 PROJECT NUMBER: 09-4187  
 REVIEW PERIOD: 06/01/04 - 05/31/08

Sample Number	Date of Service	Rate Code		Amount		Over Payment	1. Missing Service Plan/Service Plan Review	2. No Documentation of Rehabilitative Service	3. Failure To Perform Rehabilitative Service Different Days	4. Failure To Document Four Different Rehabilitative Services For a Full Month
		Billed	Derived	Billed	Derived					
1	03/01/08	4369	4369	\$1,896.14	\$1,896.14	\$ -				
2	08/01/06	4369	4369	1,502.13	1,502.13	-				
3	09/01/07	4369	4369	1,613.11	1,613.11	-				
4	06/01/04	4369	4369	1,508.78	1,508.78	-				
5	12/01/05	4369	4369	1,502.13	1,502.13	-				
6	12/01/07	4369	4369	1,816.99	1,816.99	-				
7	04/01/08	4369	-	1,896.14	-	1,896.14		X		
8	02/01/06	4369	4369	1,502.13	1,502.13	-				
9	11/01/05	4369	-	1,502.12	-	1,502.12	X			
10	12/01/04	4369	4369	1,502.12	1,502.12	-				
11	02/01/08	4369	4369	1,816.99	1,816.99	-				
12	09/01/06	4369	4369	1,502.13	1,502.13	-				
13	01/01/05	4369	4369	1,502.12	1,502.12	-				
14	07/01/04	4369	4369	1,508.78	1,508.78	-				
15	02/01/06	4369	4369	1,502.13	1,502.13	-				
16	10/01/06	4369	4369	1,502.13	1,502.13	-				
17	07/01/05	4369	4369	1,502.12	1,502.12	-				
18	08/01/06	4369	4369	1,502.13	1,502.13	-				
19	10/01/05	4369	4369	1,502.12	1,502.12	-				
20	02/01/06	4369	4369	1,502.13	1,502.13	-				
21	07/01/04	4369	4369	1,508.78	1,508.78	-				
22	07/01/07	4369	4369	1,613.11	1,613.11	-				
23	02/01/06	4369	4369	1,502.13	1,502.13	-				
24	11/01/07	4369	4369	1,613.11	1,613.11	-				
25	09/01/04	4369	4369	1,508.78	1,508.78	-				

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
 STEUBEN CHURCH PEOPLE A/P  
 REVIEW OF SAMPLE SELECTION  
 PROJECT NUMBER: 09-4187  
 REVIEW PERIOD: 06/01/04 - 05/31/08

Sample Number	Date of Service	Rate Code		Amount		Over Payment	1. Missing Service Plan/Service Plan Review	2. No Documentation of Rehabilitative Service	3. Failure To Perform Rehabilitative Service Different Days	4. Failure To Document Four Different Rehabilitative Services For a Full Month
		Billed	Derived	Billed	Derived					
26	07/01/07	4369	4369	\$1,613.11	\$1,613.11	\$ -				
27	04/01/07	4369	4369	1,613.11	1,613.11	-				
28	11/01/04	4369	4369	1,508.78	1,508.78	-				
29	04/01/06	4369	4369	1,502.13	1,502.13	-				
30	03/01/05	4369	4369	1,502.12	1,502.12	-				
31	01/01/05	4369	4369	1,502.12	1,502.12	-				
32	10/02/07	4371	4371	806.56	806.56	-				
33	07/01/05	4369	4369	1,502.12	1,502.12	-				
34	11/01/05	4369	4369	1,502.12	1,502.12	-				
35	08/01/07	4369	4369	1,613.11	1,613.11	-				
36	09/01/06	4369	4369	1,502.13	1,502.13	-				
37	06/01/05	4369	4369	1,502.12	1,502.12	-				
38	01/01/07	4369	4369	1,621.94	1,621.94	-				
39	05/01/05	4369	4369	1,502.12	1,502.12	-				
40	09/01/07	4369	4369	1,613.11	1,613.11	-				
41	02/01/07	4369	4369	1,621.94	1,621.94	-				
42	08/01/05	4369	4369	1,502.12	1,502.12	-				
43	01/01/08	4369	4369	1,816.99	1,816.99	-				
44	08/01/04	4369	4369	1,508.78	1,508.78	-				
45	03/01/08	4369	4369	1,896.14	1,896.14	-				
46	06/01/04	4369	4369	1,508.78	1,508.78	-				
47	02/01/05	4369	4369	1,502.12	1,502.12	-				
48	10/01/04	4369	4369	1,508.78	1,508.78	-				
49	11/01/07	4369	4369	1,613.11	1,613.11	-				
50	12/01/04	4369	4369	1,502.12	1,502.12	-				

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
 STEUBEN CHURCH PEOPLE A/P  
 REVIEW OF SAMPLE SELECTION  
 PROJECT NUMBER: 09-4187  
 REVIEW PERIOD: 06/01/04 - 05/31/08

Sample Number	Date of Service	Rate Code		Amount		Over Payment	1. Missing Service Plan/Service Plan Review	2. No Documentation of Rehabilitative Service	3. Failure To Perform Rehabilitative Services on Different Days	4. Failure To Document Four Different Rehabilitative Services For a Full Month
		Billed	Derived	Billed	Derived					
51	12/01/05	4369	4369	\$1,502.13	\$1,502.13	\$ -				
52	12/01/04	4369	4369	1,502.12	1,502.12	-				
53	11/01/06	4369	4369	1,502.13	1,502.13	-				
54	10/01/05	4369	4369	1,502.12	1,502.12	-				
55	07/01/05	4369	4369	1,502.12	1,502.12	-				
56	01/01/08	4369	4369	1,816.99	1,816.99	-				
57	10/01/07	4369	4371	1,613.11	806.55	806.56			X	
58	10/01/06	4369	4369	1,502.13	1,502.13	-				
59	06/01/04	4369	4369	1,508.78	1,508.78	-				
60	01/01/06	4369	4369	1,502.13	1,502.13	-				
61	06/01/06	4369	4369	1,502.13	1,502.13	-				
62	12/01/05	4369	4369	1,502.13	1,502.13	-				
63	04/01/05	4369	4369	1,502.12	1,502.12	-				
64	04/02/07	4371	4371	806.56	806.56	-				
65	01/01/05	4369	4369	1,502.12	1,502.12	-				
66	11/01/07	4369	4369	1,613.11	1,613.11	-				
67	04/01/07	4369	4369	1,613.11	1,613.11	-				
68	12/01/06	4369	4369	1,621.94	1,621.94	-				
69	01/01/08	4369	4369	1,816.99	1,816.99	-				
70	04/01/04	4369	4369	1,391.68	1,391.68	-				
71	05/01/07	4369	4369	1,613.11	1,613.11	-				
72	08/01/05	4369	4369	1,502.12	1,502.12	-				
73	05/01/05	4369	4369	1,502.12	1,502.12	-				
74	01/01/08	4369	4369	1,816.99	1,816.99	-				
75	03/01/05	4369	4369	1,502.12	1,502.12	-				

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
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Sample Number	Date of Service	Rate Code		Amount		Over Payment	1. Missing Service Plan/Service Plan Review	2. No Documentation of Rehabilitative Service	3. Failure To Perform Rehabilitative Services on Different Days	4. Failure To Document Four Different Rehabilitative Services For a Full Month
		Billed	Derived	Billed	Derived					
76	11/02/05	4371	4371	\$751.06	\$751.06	\$ -				
77	09/01/05	4369	4369	1,502.12	1,502.12	-				
78	02/01/06	4369	4369	1,502.13	1,502.13	-				
79	08/01/07	4369	4369	1,613.11	1,613.11	-				
80	09/01/05	4369	4369	1,502.12	1,502.12	-				
81	06/01/05	4369	4369	1,502.12	1,502.12	-				
82	12/01/04	4369	4369	1,502.12	1,502.12	-				
83	07/02/07	4371	4371	806.56	806.56	-				
84	12/01/06	4369	4369	1,621.94	1,621.94	-				
85	05/01/08	4369	4369	1,896.14	1,896.14	-				
86	10/01/05	4369	4369	1,502.12	1,502.12	-				
87	08/01/04	4369	4369	1,508.78	1,508.78	-				
88	11/01/06	4369	4369	1,502.13	1,502.13	-				
89	07/01/04	4369	4369	1,508.78	1,508.78	-				
90	12/01/04	4369	4369	1,502.12	1,502.12	-				
91	03/01/05	4369	4369	1,502.12	1,502.12	-				
92	02/01/07	4369	4369	1,621.94	1,621.94	-				
93	01/01/08	4369	4369	1,816.99	1,816.99	-				
94	03/01/08	4370	4370	948.07	948.07	-				
95	02/02/05	4371	4371	751.06	751.06	-				
96	01/01/06	4369	-	1,502.13	-	1,502.13	X			
97	11/01/07	4369	4369	1,613.11	1,613.11	-				
98	11/01/04	4369	4369	1,508.78	1,508.78	-				
99	06/01/05	4369	4371	1,502.12	751.06	751.06				X
100	04/01/07	4369	4369	1,613.11	1,613.11	-				
<b>Totals</b>				<b>\$ 152,082.95</b>	<b>\$ 145,624.94</b>	<b>\$ 6,458.01</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>