



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

**REVIEW OF UNITED HEALTHCARE OF NEW YORK  
RETRO DISENROLLMENT DUE TO PLACEMENT IN  
RESIDENTIAL/LONG TERM HEALTH CARE FACILITY  
DATES OF PLACEMENT FROM JANUARY 1, 2011  
THROUGH DECEMBER 31, 2011**

**FINAL AUDIT REPORT**

**James C. Cox  
Medicaid Inspector General  
July 2, 2013**

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STATE OF NEW YORK  
OFFICE OF THE MEDICAID INSPECTOR GENERAL  
800 North Pearl Street  
Albany, NY 12204

ANDREW M. CUOMO  
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MEDICAID INSPECTOR GENERAL

July 2, 2013

[REDACTED]  
United Healthcare of New York  
77 Water Street, 14<sup>th</sup> Floor  
New York, NY 10005

Re: Final Audit Report  
Audit #: 12-7461  
Provider ID #: [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid monthly capitation payments made to United Healthcare of New York (Plan) that were determined to be recoverable based on the enrollee's retroactive disenrollment from the Plan and permanent placement into a Residential/Long Term Health Care Facility. In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract and Section 517.6 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 regarding capitation payments made on behalf of enrollees retroactively disenrolled due to placement in a Residential/Long Term Health Care Facility found during the OMIG's review.

After reviewing the Plan's June 7, 2013 response to OMIG's February 22, 2013 Draft Audit Report, your comments have confirmed the audit findings. As a result, the findings in the Final Audit Report remain unchanged to those cited in the Draft Audit Report.

### **BACKGROUND**

The New York State Department of Health (SDOH) is the state agency responsible for the administration of the Medicaid program. As part of its responsibility as an entity within SDOH, 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 of Health (Titles 10 and 18 of NYCRR), the regulations of the Office of Mental Health (Title 14 of NYCRR), and the Department of Health's Medicaid Provider Manuals, *Medicaid Update* publications and the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

Pursuant to Section 3.6 of the Contract (Compensation – State Department of Health Right to Recover Premiums) and Appendix H, the OMIG on behalf of SDOH, 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.

### **PURPOSE AND SCOPE**

The purpose of the audit was to identify instances where the Plan received a capitation payment from Medicaid and subsequently the enrollee was retroactively disenrolled for the entire payment month following permanent placement in a Residential/Long Term Health Care Facility. The scope of the audit includes enrollees permanently placed in a Residential/Long Term Health Care Facility for the period of January 1, 2011 to December 31, 2011.

### **FINDINGS**

OMIG received a response from the Plan on June 7, 2013 agreeing to the findings in the February 22, 2013 Draft Audit Report (Attachment I). As a result, the findings in the Final Audit Report remain unchanged to those cited in the Draft Audit Report. As stated in the Contract, Section 3.6 (Compensation – State Department of Health Right to Recover Premiums) and Appendix H and 18 NYCRR Parts 517 and 518, the OMIG has a right to recover overpayments 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(c) is \$190,236.18. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$190,236.18 (Attachment II). Therefore, there is no balance due the New York State Department of Health (Attachment III).

### **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  
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, 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. If you have any

questions regarding the above, please contact [REDACTED] at [REDACTED] or by email at [REDACTED]. Thank you for your cooperation.

Sincerely,

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