NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF SYRACUSE PHSP'S INCARCERATION MATCH DATES OF SERVICE FROM JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

FINAL AUDIT REPORT

James C. Cox
Medicaid Inspector General
July 18, 2013

TABLE OF CONTENTS

	PAGE
BACKGROUND, PURPOSE AND SCOPE	1
FINDINGS	2
PAYMENT OPTIONS	2
PROVIDER RIGHTS	3
REMITTANCE ADVICE	5

ATTACHMENTS AND SCHEDULES

ATTACHMENT I – Provider Response to Draft Audit Report
ATTACHMENT II – Final Audit 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

July 18, 2013

[redacted]
SCHC Total Care, Inc.
819 South Salina Street
Syracuse, NY 13202

Re: Final Audit Report
Audit # 13-2897
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 for incarcerated enrollees during the period beginning January 1, 2012 and ending December 31, 2012. In accordance with Medicaid Managed Care and 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 (18 NYCRR), this report represents the final determination on the issues found during the OMIG's review.

BACKGROUND, PURPOSE AND SCOPE

The New York State Department of Health (DOH) is the state agency responsible for the administration of the Medicaid program. As part of its responsibility as an entity within DOH, 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 the NYCRR), the regulations of the Office of Mental Health (Title 14 of NYCRR), and the DOH's Medicaid Provider Manuals, *Medicaid Update* publications and the Contract.

The purpose of this audit was to identify instances where the Plan received a capitation payment from Medicaid when the enrollee was incarcerated for the entire payment month. These cases were identified by a computerized match comparing Medicaid and Family Health Plus managed care enrolled recipients to information provided by the New York State Department of Correctional Services (DOCS) and Division of Criminal Justice Services (DCJS). The review included capitation payments made to the Plan during the period beginning January 1, 2012 and ending December 31, 2012.

In accordance with 18 NYCRR Part 518 and pursuant to the Contract, Section 3.6 (Compensation – State Department of Health Right to Recover Premiums) and Appendix H, the OMIG, on behalf of DOH, has the right to recover premiums paid to the Plan for enrollees listed on the monthly roster who are later determined to have been incarcerated for the entire applicable payment month.

FINDINGS

A Draft Audit Report was issued on June 13, 2013 identifying $77,776.30 in overpaid capitation payments made to the Plan for incarcerated enrollees. In its June 24, 2013 email response the Plan agreed with the findings in the Draft Audit Report (Attachment I). Based on this determination, the total amount of overpayment as defined in 18 NYCRR 518.1 is $77,776.30. Repayment of $77,776.30 is due the DOH.

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 and be sent with the attached Remittance Advice to:

New York State Department of Health
Medicaid Financial Management, B.A.M.
GNARESP Corning Tower, Room 2739
File # 13-2897
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 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 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.

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] or via e-mail at [redacted] Thank you for your cooperation.

Sincerely,

[redacted]

Division of Medicaid Audit
Office of the Medicaid Inspector General

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, NY 13202

PROVIDER # [redacted]

AUDIT # 13-2897

PROVIDER TYPE
- ☐ **Fee For Service**
- ☐ **Rate - LTC**
- ☐ **Rate - NH**
- ☒ **Managed Care**
- ☐ **Other**

AMOUNT DUE: $77,776.30

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, B.A.M.
GNARESP Corning Tower, Room 2739
Albany, New York 12237-0016

Thank you for your cooperation.