



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

March 18, 2014

[REDACTED]
St. Peter's Nursing & Rehabilitation Center
301 Hackett Blvd.
Albany, New York 12208

Re: Medicaid PRI Audit #09-1698
NPI Number: [REDACTED]
Provider Number: [REDACTED]

Dear [REDACTED]

This is the final audit report of findings with regard to the Office of the Medicaid Inspector General's ("OMIG") Patient Review Instruments ("PRI") audit of St. Peter's Nursing & Rehabilitation Center ("Facility") for the audit period January 1, 2005 through December 31, 2006. In accordance with 18 NYCRR Section 517.6, this final audit report represents the OMIG's final determination on issues raised in the revised draft audit report.

Since you did not respond to our revised draft audit report dated December 9, 2013, the findings in the final audit report remain identical to the revised draft audit report. The OMIG has attached the sample detail for the paid claims determined to be in error.

The findings applicable to the January 1, 2006 through June 30, 2006 Medicaid rates resulted in a Medicaid overpayment of \$55,762 as detailed in Attachment A. This overpayment is subject to Department of Health ("DOH") and Division of Budget ("DOB") final approval. While not anticipated, any difference between the calculated overpayment and the final DOH and DOB amount will be resolved with the Facility by the OMIG Bureau of Collections Management. The finding explanation, regulatory reference, and applicable adjustment can be found in the exhibits following Attachment A.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below.

March 18, 2014

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:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #09-1698
Albany, New York 12237-0048

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 50% withhold after 20 days until the agreement is established. 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. In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against any amount owed. If you wish to enter into a repayment agreement, please contact the Bureau of Collections Management within 20 days at the following:

Bureau of Collections Management
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204
[REDACTED]

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.

You have the right to challenge this action and determination by requesting an administrative hearing within sixty (60) days of the date of this notice. You may not request a hearing to raise issues related to rate setting or rate setting methodology. In addition, you may not raise any issue that was raised or could have been raised at a rate appeal with your rate setting agency. You may only request a hearing to challenge specific audit adjustments which you challenged in a response to the draft audit report.

If you wish 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

If a hearing is held, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply a signed authorization permitting that person to represent you along with your hearing request. At the hearing, you may call witnesses and present documentary evidence on your behalf.

Should you have any questions regarding the above, please contact [REDACTED] at [REDACTED] or through email at [REDACTED]

Sincerely,

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

Attachments:

- ATTACHMENT A - Calculation of Medicaid Overpayment
- ATTACHMENT B - Change in RUG Counts for PRIs submitted on January 10, 2006 and April 10, 2006
- ATTACHMENT C - Detailed Findings by Sample Number
- ATTACHMENT D - Detailed Findings by Disallowance

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED

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

NAME AND ADDRESS OF AUDITEE

████████████████████
St. Peter's Nursing & Rehabilitation
Center
301 Hackett Blvd.
Albany, New York 12208

NPI #: ██████████
PROVIDER #: ██████████

AUDIT #09-1698

AMOUNT DUE: \$55,762

AUDIT	<input type="checkbox"/> PROVIDER
TYPE	<input checked="" type="checkbox"/> RATE
	<input type="checkbox"/> PART B
	<input type="checkbox"/> 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 2739
File #09-1698
Albany, New York 12237-0048

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

[]

CORRECT PROVIDER NUMBER

ATTACHMENT A

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 ST. PETER'S NURSING & REHABILITATION CENTER
 AUDIT #09-1698
 CALCULATION OF MEDICAID OVERPAYMENT

<u>Service</u>	<u>Effective Period</u>	<u>Part B Non-Elig.</u> <u>From</u>	<u>To</u>	<u>Part B-Elig.</u> <u>From</u>	<u>To</u>	<u>Difference</u>	<u>Medicaid</u> <u>Days</u>	<u>Medicaid</u> <u>Impact</u>
NF	01/01/06 - 03/31/06	183.84	183.18	183.50	182.84	0.66	7866	\$ 5,192
NF	04/01/06 - 06/30/06	182.05	175.15	181.71	174.81	6.90	7329	50,570
TOTAL MEDICAID OVERPAYMENT								<u>\$ 55,762</u>

NOTE: Impact of the Dementia Per Diem Calculation handled as per diem disallowances on Schedule VII, Line "B".

OFFICE OF THE MEDICAID INSPECTOR GENERAL
ST PETER'S NURSING & REHABILITATION CENTER
CHANGE IN RUG CATEGORIES
JANUARY 10, 2006

RUG CATEGORY	CHANGE IN RUG CATEGORY			
	REPORTED INCREASE	DECREASE	ADJUSTED	
BA	0			0
BB	0			0
BC	0			0
CA	2		1	1
CB	17		2	15
CC	6			6
CD	4			4
PA	11	1		12
PB	2	1		3
PC	48	1		49
PD	16			16
PE	6			6
RA	3	2		5
RB	33		2	31
SA	1			1
SB	1			1
TOTAL	150	5	5	150

Dementia Patient Per Diem Calculation

CA	0			0
BA	0			0
PA	3			3
PB	1			1
TOTAL	4	0	0	4

OFFICE OF THE MEDICAID INSPECTOR GENERAL
ST PETER'S NURSING & REHABILITATION CENTER
CHANGE IN RUG CATEGORIES
APRIL 10, 2006

RUG CATEGORY	CHANGE IN RUG CATEGORY			
	REPORTED INCREASE	DECREASE	ADJUSTED	
BA	0			0
BB	0			0
BC	0			0
CA	2			2
CB	15		3	12
CC	9		5	4
CD	3	1		4
PA	10	11		21
PB	3	3		6
PC	56	4		60
PD	16		4	12
PE	3		2	1
RA	6			6
RB	28		3	25
SA	2			2
SB	2		2	0
TOTAL	155	19	19	155

Dementia Patient Per Diem Calculation

CA	1			1
BA	0			0
PA	2		1	1
PB	2		2	0
TOTAL	5	0	3	2

OFFICE OF THE MEDICAID INSPECTOR GENERAL
REVIEW OF PATIENT REVIEW INSTRUMENT
ST. PETER'S NURSING & REHABILITATION CENTER

DETAILED AUDIT FINDINGS

SAMPLE NUMBER	DOB	INITIALS	PRIDATE	RUG CATEGORY REPORTED	RUG WEIGHT REPORTED	RUG WEIGHT DERIVED	Disallow #22 Tolerating	Disallow #28 & or more physician visits	Disallow #21 Transfer	Disallow #19 Eating	Disallow #18G Wound Care	Disallow #27 OT	Disallow #27 PT	Disallow #30 Dementia/ Add-on	Disallow #30 Primary Problem	Disallow #16 Level 4 decubitus	Disallow #18F Parental Fluids	Disallow #18H Chemotherapy	Disallow #26 Hallucinations
1			1/9/2006	RB	1.79	1.79													
2			1/9/2006	RB	1.79	1.79													
3			1/9/2006	RB	1.79	1.79													
4			1/9/2006	RB	1.79	1.79			X										
5			1/9/2006	RB	1.79	1.79													
6			1/9/2006	RB	1.79	1.79													
7			1/9/2006	RB	1.79	1.79													
8			1/9/2006	RB	1.79	1.79			X										
9			1/9/2006	RB	1.79	1.79			X										
10			1/9/2006	RB	1.79	1.79			X										
11			1/9/2006	RB	1.79	1.57			X										
12			1/9/2006	RB	1.79	1.79			X										
13			1/9/2006	RB	1.79	1.79			X										
14			1/9/2006	RB	1.79	1.79			X										
15			1/10/2006	RB	1.79	1.79			X										
16			1/9/2006	RB	1.79	1.79													
17			1/9/2006	RB	1.79	1.79			X										
18			1/9/2006	RB	1.79	1.79			X										
19			1/9/2006	RB	1.79	1.57			X										
20			1/9/2006	RB	1.79	1.79			X										
21			1/9/2006	RB	1.79	1.79			X										
22			1/5/2006	RB	1.79	1.79			X										
23			1/9/2006	RB	1.79	1.79			X										
24			1/9/2006	RB	1.79	1.79			X										
25			1/9/2006	RB	1.79	1.79			X										

PRIs SUBMITTED ON JANUARY 10, 2006

DETAILED AUDIT FINDINGS

SAMPLE NUMBER	DOB	INITIALS	PRIDATE	RUG CATEGORY		RUG WEIGHT		Disallow #22 Toileting	Disallow #28 4 or more physician visits	Disallow #21 Transfer	Disallow #19 Eating	Disallow #18G Wound Care	Disallow #18C Oxygen	Disallow #27 OT	Disallow #27 PT	Disallow #30 Dementia Add-on	Disallow #30 Primary Problem	Disallow #16 Level 4 decubitus	Disallow #18F Parental Fluids	Disallow #18H Chemotherapy	Disallow #26 Hallucinations
				REPORTED	DERIVED	REPORTED	DERIVED														
176			4/10/2006	PC	PC	1.03	1.03														
177			4/10/2006	PC	PC	1.03	1.03														
178			4/10/2006	PC	PC	1.03	1.03														
179			4/7/2006	PB	PA	0.83	0.55														
180			4/10/2006	PB	PB	0.83	0.83														
181			4/7/2006	PB	PB	0.83	0.83														
182			4/10/2006	CA	PA	0.7	0.55														
183			4/10/2006	CA	CA	0.7	0.7														
184			4/7/2006	PA	PA	0.55	0.55														
185			4/10/2006	PA	PA	0.55	0.55														
186			4/7/2006	PA	PA	0.55	0.55														
187			4/10/2006	PA	PA	0.55	0.55														
188			4/10/2006	PA	PA	0.55	0.55														
189			4/10/2006	PA	PA	0.55	0.55														
190			4/10/2006	PA	PA	0.55	0.55														
191			4/7/2006	PA	PA	0.55	0.55														
192			4/10/2006	PA	PA	0.55	0.55														
193			4/10/2006	PA	PA	0.55	0.55														

Totals 44 36 19 18 11 4 3 3 3 3 2 1 1 1 1

ST. PETER'S NURSING & REHABILITATION CENTER DETAILED FINDINGS

PRI FINDINGS**Sample Selection****Decubitus Level Disallowed**

The PRI instructions/clarifications state, *"For a patient to be cited as level 4, documentation by a licensed clinician must exist which describes the following three components: 1. A description of the patient's decubitus, 2. Circumstance or medical condition which led to the decubitus, 3. An active treatment plan."*

In addition, *"necrotic breakdown of skin and subcutaneous tissue which may involve muscle, fascia and bone"* must be documented.

10 NYCRR Section 86-2.30 (II) 16

In 1 instance, documentation did not support circumstance or medical condition which led to the decubitus. 49

In 1 instance, documentation did not support an active treatment plan. 49

Oxygen - (Daily)

PRI instructions/clarifications state *"For medical treatments having a daily frequency requirement, treatments must be provided every day of the four week period."*

10 NYCRR Section 86-2.30 (II) 18C

In 4 instances, documentation did not support the daily frequency requirement for oxygen. 28, 35, 89, 182

Parenteral Feeding

The PRI instructions/clarifications define parenteral feeding as *"intravenous or subcutaneous route for the administration of fluids used to maintain fluid, nutritional intake, electrolyte balance."*

10 NYCRR Section 86-2.30 (II) 18F

In 1 instance, the medical record did not support parenteral feeding during the past 28 days. 67

Wound Care

The PRI instructions/clarifications define a wound as a *"subcutaneous lesion(s) resulting from surgery, trauma, or open cancerous ulcers."* Additionally, *"decubiti, stasis ulcers, skin tears and feeding tubes are excluded"* from wound care.

10 NYCRR Section 86-2.30 (II) 18G

In 8 instances, documentation did not support wound care due to surgery, trauma, or cancerous lesion during the past 28 days. 4, 8, 11, 12, 24, 54, 62, 73

In 4 instances, wound care for decubiti, stasis ulcers, skin tears and feeding tubes are excluded. 9, 48, 49, 54

Chemotherapy

The PRI instructions/clarifications define chemotherapy as *"treatment of carcinoma through IV and/or oral chemical agents."*

10 NYCRR Section 86-2.30 (II) 18H

In 1 instance, the medical record did not support the chemotherapy during the past 28 days. 99

Eating

PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 19

Level 2 eating *"requires intermittent supervision and/or minimal physical assistance with minor parts of eating such as cutting food, buttering bread or opening milk cartons."*

In 1 instance, documentation did not support intermittent supervision and/or minor physical assistance with eating. 132

Level 3 eating continual help *"means that the patient requires a staff person's continual presence and help for reasons such as: patient tends to choke,*

has a swallowing problem, is learning to feed self, or is quite confused and forgets to eat."

In 14 instances, documentation did not support continual help with eating.

13, 17, 58, 64, 84, 87, 89, 117, 118, 139, 141, 157, 162, 172

Level 4 eating is *"totally fed by hand: patient does not manually participate."*

In 3 instances, documentation did not support that the resident was totally fed by hand.

48, 110, 153

Transfer

The PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 21

Level 2 transfer intermittent assistance; a *"staff person does not have to be present during the entire activity, nor does the help have to be on a one-to-one basis."*

In 1 instance, documentation did not support intermittent assistance with transfers.

179

Level 3 transfer continuous assistance; *"requires one person to provide constant guidance, steadiness and/or physical assistance. Patient may participate in transfer."*

In 8 instances, documentation did not support constant guidance or physical assistance in transfer.

11, 19, 44, 141, 159, 162, 171, 172

Level 4 transfer *"requires two people to provide constant supervision and/or physically lift. May need lifting equipment. Documentation must support a logical medical reason why the patient required two people to transfer."*

In 10 instances, documentation did not support the resident; required two people or the use of lifting equipment to transfer.

14, 58, 79, 84, 86, 132, 139, 140, 147, 169

Toileting

The PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 22

Level 3 toileting resident is *"continent of bowel and bladder. Requires constant supervision and/or physical assistance with major/all parts of the task, including appliances (i.e. colostomy, ileostomy, urinary catheter)."*

In 8 instances, documentation did not support constant supervision and/or physical assistance with toileting.

11, 19, 139, 157, 159, 162, 172, 179

Level 4 toileting resident is *"incontinent 60% or more of the time; does not use a bathroom. The patient may be bed bound or mentally confused to the extent that a scheduled toileting program is not beneficial."*

In 7 instances, documentation did not support incontinence 60% of the time.

3, 58, 79, 132, 140, 141, 169

Level 5 toileting resident is *"incontinent of bowel and/or bladder but is taken to a bathroom every two to four hours during the day and as needed at night."* Additionally, PRI clarifications state that *"the resident's care plan must establish a toileting assistance program that is based on an assessment of the resident's needs. The assessment should establish the needs of the resident which lead to the development of the program."* To meet Toileting Level 5 there must be a *"care plan established for the resident based on an assessment."* The toileting schedule must include *"the name or initials of the health care worker performing the toileting assistance and the specific time the toileting assistance was provided must be present in each instance assistance is provided."*

In 29 instances, documentation did not support an individualized toileting schedule, the specific time the resident was toileted, the toileting schedule contained blanks, and/or or the toileting schedule contained intervals greater than four hours.

39, 48, 59, 68, 81, 82, 84, 86, 88, 90, 99, 108, 110, 117, 118, 119, 121, 126, 127, 130, 136, 137, 146, 148, 160, 163, 166, 171, 175

Hallucinations

The PRI instructions/clarifications define hallucinations as *"experienced at least once per week during the last four weeks, visual, auditory, or tactile perceptions that have no basis in external reality."*

Additionally, to qualify a patient as Level 1 hallucinations an *"active treatment plan for the*

behavioral problem must be in current use" and a "psychiatric assessment by a recognized professional with psychiatric training/education must exist to support the fact that the patient has a severe behavioral problem."

10 NYCRR Section 86-2.30 (IV) 26

In 1 instance, documentation did not support visual, auditory, or tactile hallucinations once per week for the last four weeks. 12

In 1 instance, documentation did not support a psychiatric evaluation was completed for hallucinations. 12

In 1 instance, documentation did not support an active treatment plan. 12

Physical Therapy

PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (V) 27A

In order for therapy to qualify as restorative "there is positive potential for improved functional status within a short and predictable period of time"... The qualifier for maintenance therapy is "to maintain and/or retard deterioration of current functional/ADL status."

In 2 instances, documentation did not support the positive potential for improvement within a short and/or predictable period of time. 39, 75

PRI instructions/clarifications also state "in order for therapy to qualify as restorative, treatment is provided at least five days per week and 2.5 hours per week."

In 3 instances, documentation did not support treatment five days/ 2.5 hours per week. 39, 58, 75

Occupational Therapy

PRI instructions/clarifications state:

Title 10 NYCRR Section 86-2.30 (V) 27A

PRI instructions/clarifications state "there must be an order for restorative therapy."

In 1 instance, documentation did not support a physician, nurse practitioner or appropriately cosigned physician assistant order for restorative therapy. 14

PRI instructions/clarifications also state *"in order for therapy to qualify as restorative, treatment is provided at least five days per week and 2.5 hours per week."*

In 2 instances, documentation did not support treatment five days/ 2.5 hours per week. 39, 75

Number of Physician Visits

The PRI instructions/clarifications state that allowable physician visits are those in which *"the patient has a medical condition that (1) is unstable and changing or (2) is stable, but there is high risk of instability."*

10 NYCRR Section 86-2.30 (V) 28

In 36 instances, documentation did not support the number of physician visits claimed were for unstable or potentially unstable conditions.

3, 8, 9, 11, 12, 17, 20, 22, 23, 32, 33, 38, 40, 44, 46, 48, 49, 51, 53, 55, 56, 59, 62, 64, 66, 72, 73, 74, 75, 77, 84, 88, 92, 95, 96, 102

Primary Medical Problem

The PRI instructions/clarifications state: *"The primary medical problem should be selected based on the condition that has created the most need for nursing time during the past four weeks."*

10 NYCRR Section 86-2.30 (i) (VI) 30

In 2 instances, documentation did not support that the primary medical problem (ICD-9 code) was based on the condition that created the most need for nursing time. 22, 94

Dementia Add-on

PRI instructions/clarifications state: *"Facilities to whom the additional amount is paid shall demonstrate and document positive outcomes from the implementation or continuation of programs to improve the care of eligible dementia patients."*

10 NYCRR Section 86-2.10 (o)

In 3 instances, there was no documentation found in the record of activities that meet these criteria.

180, 181, 191

RUGS-II Classifications Overturned

In 45 instances, the RUG-II classifications were overturned.

10 NYCRR Section 86-2.11

11, 19, 32, 35, 38, 39, 44, 58, 67, 68, 75, 79, 81, 82, 84, 86, 87, 88, 89, 92, 94, 95, 96, 99, 102, 108, 110, 117, 118, 119, 121, 132, 137, 139, 140, 141, 147, 157, 159, 162, 169, 171, 172, 179, 182