



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 26, 2014

[REDACTED]
Adirondack Medical Center - Uihlein
185 Old Military Road
Lake Placid, New York 12946

Re: Medicaid PRI Audit #11-1069
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 Adirondack Medical Center Uihlein ("Facility") for the audit period July 1, 2005 through December 31, 2008. 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.

We received your response to our revised draft audit report dated November 14, 2013. Your comments have been considered and the findings in the final audit report remain identical to the revised draft audit report.

The findings applicable to the October 1, 2006 through March 31, 2009 Medicaid rates resulted in a Medicaid overpayment of \$488,037 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.

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 #11-1069
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]
[REDACTED] or through email at [REDACTED]

Sincerely,

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

[REDACTED]
Attachments:

ATTACHMENT A - Calculation of Medicaid Overpayment
ATTACHMENT B - Change in RUG Counts for PRIs submitted on October 18, 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

████████████████████
Adirondack Medical Center - Uihlein
185 Old Military Road
Lake Placid, New York 12946

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

AUDIT #11-1069

AMOUNT DUE: \$488,037

AUDIT	<input type="checkbox"/> PROVIDER
	<input checked="" type="checkbox"/> RATE
TYPE	<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 #11-1069
Albany, New York 12237-0048

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

[]

CORRECT PROVIDER NUMBER

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 ADIRONDACK MEDICAL CENTER UIHLEIN
 AUDIT #11-1069
 CALCULATION OF MEDICAID OVERPAYMENT

<u>Service</u>	<u>Effective Period</u>	<u>Part B Non-Elig.</u>		<u>Part B-Elig</u>		<u>Difference</u>	<u>Medicaid Days</u>	<u>Medicaid Impact</u>
		<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>			
NF	10/01/06 - 12/31/06	140.42	134.99	138.67	133.24	5.43	7896	\$ 42,875
NF	01/01/07 - 03/31/07	147.87	142.03	146.08	140.24	5.84	7665	44,764
NF	04/01/07 - 06/30/07	147.08	141.27	145.30	139.49	5.81	7767	45,126
NF	07/01/07 - 08/31/07	144.00	138.19	142.22	136.41	5.81	5802	33,710
NF	09/01/07 - 12/31/07	144.00	138.19	142.22	136.41	5.81	12015	69,807
NF	01/01/08 - 03/31/08	148.33	142.40	146.51	140.58	5.93	9149	54,254
NF	04/01/08 - 06/30/08	145.38	139.50	143.57	137.69	5.88	8837	51,962
NF	07/01/08 - 12/31/08	148.76	142.88	146.95	141.07	5.88	17063	100,330
NF	01/01/09 - 03/31/09	140.19	134.12	138.34	132.27	6.07	7448	45,209
TOTAL MEDICAID OVERPAYMENT								<u>\$ 488,037</u>

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

NOTE: Rate Setting name is Uihlein Mercy Center

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 ADIRONDACK MEDICAL CENTER UIHLEIN
 CHANGE IN RUG CATEGORIES
 OCTOBER 18, 2006

RUG CATEGORY	CHANGE IN RUG CATEGORY			ADJUSTED
	REPORTED	INCREASE	DECREASE	
BA	0			0
BB	0			0
BC	0			0
CA	10		3	7
CB	10	3		13
CC	13		8	5
CD	2		1	1
PA	20	8		28
PB	2	7		9
PC	35		1	34
PD	12		2	10
PE	2		1	1
RA	1	1		2
RB	8		3	5
SA	2			2
SB	1			1
TOTAL	118	19	19	118

Dementia Patient Per Diem Calculation

CA	2			2
BA	0			0
PA	14		7	7
PB	1		1	0
TOTAL	17	0	8	9

DETAILED FINDINGS

Sample#	DOB	Initials	PRIDate	Reported		Derived		Disallow Tolerating	Disallow Primary Medical Problem	Disallow Physician Visits	Disallow Dementia Add-on	Disallow Eating	Disallow PT Level	Disallow Oxygen	Disallow Verbal Disruption	Disallow Physical Aggression
				RUG	Weight	RUG	Weight									
76			10/12/2006	PC	1.03	PC	1.03	1								
77			10/12/2006	PC	1.03	PC	1.03									
78			10/13/2006	PC	1.03	PC	1.03									
79			10/13/2006	PC	1.03	PC	1.03									
80			10/13/2006	PC	1.03	PB	0.83	1								
81			10/13/2006	PC	1.03	PB	0.83	1								
82			10/13/2006	PC	1.03	PC	1.03	1								
83			10/13/2006	PC	1.03	PC	1.03	1								
84			10/13/2006	PC	1.03	PA	0.55	1								
85			10/13/2006	PC	1.03	PB	0.83	1								
86			10/13/2006	PC	1.03	PB	0.83	1								
87			10/11/2006	PB	0.83	PB	0.83		1							
88			10/12/2006	PB	0.83	PB	0.83			1						
89			10/10/2006	CA	0.7	CA	0.7									
90			10/10/2006	CA	0.7	PA	0.55		1							
91			10/10/2006	CA	0.7	CA	0.7									
92			10/10/2006	CA	0.7	CA	0.7									
93			10/10/2006	CA	0.7	PA	0.55		1							
94			10/10/2006	CA	0.7	CA	0.7									
95			10/11/2006	CA	0.7	CA	0.7			1						
96			10/12/2006	CA	0.7	PA	0.55									
97			10/12/2006	CA	0.7	CA	0.7			1						
98			10/13/2006	CA	0.7	PA	0.55			1						
99			10/10/2006	PA	0.55	PA	0.55									
100			10/10/2006	PA	0.55	PA	0.55		1							

DETAILED FINDINGS

Sample#	DOB	Initials	PRDate	Reported		Derived		Disallow Tolerating	Disallow Primary Medical Problem	Disallow Physician Visits	Disallow Dementia Add-on	Disallow Eating	Disallow PT Level	Disallow Oxygen	Disallow Verbal Disruption	Disallow Physical Aggression
				RUG	Weight	RUG	Weight									
101			10/10/2006	PA	0.55	PA	0.55									
102			10/10/2006	PA	0.55	PA	0.55			1						
103			10/11/2006	PA	0.55	PA	0.55									
104			10/11/2006	PA	0.55	PA	0.55									
105			10/11/2006	PA	0.55	PA	0.55	1		1						
106			10/11/2006	PA	0.55	PA	0.55									
107			10/11/2006	PA	0.55	PA	0.55									
108			10/11/2006	PA	0.55	PA	0.55									
109			10/12/2006	PA	0.55	PA	0.55									
110			10/12/2006	PA	0.55	PA	0.55	1								
111			10/12/2006	PA	0.55	PA	0.55									
112			10/12/2006	PA	0.55	PA	0.55			1						
113			10/12/2006	PA	0.55	PA	0.55									
114			10/12/2006	PA	0.55	PA	0.55									
115			10/13/2006	PA	0.55	PA	0.55									
116			10/13/2006	PA	0.55	PA	0.55									
117			10/13/2006	PA	0.55	PA	0.55									
118			10/13/2006	PA	0.55	PA	0.55									

44 17 12 8 5 4 2 1 1 1

ADIRONDACK MEDICAL CENTER – UIHLEIN DETAILED FINDINGS

PRI FINDINGS**Sample Selection****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 1 instance, documentation did not support the daily frequency requirement for oxygen. 27

Eating

PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 19

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 4 instances, documentation did not support continual help with eating. 6, 57, 59, 74

Transfer

The PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 21

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

In 2 instances, documentation did not support constant guidance or physical assist in transfer. 35, 39

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

25, 26, 75

Toileting

The PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (III) 22

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

35, 67

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 42 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.

3, 4, 5, 8, 11, 14, 15, 19, 22, 23, 24, 25, 26, 28, 30, 37, 39, 40, 43, 44, 45, 51, 52, 53, 54, 55, 56, 57, 58, 59, 64, 68, 74, 75, 76, 80, 81, 82, 83, 84, 85, 86

Verbal Disruption

PRI instructions/clarifications define verbal disruption as *"yelling, baiting, threatening, etc."*

10 NYCRR Section 86-2.30 (IV) 23

Level 2 verbal disruption is *"verbal disruption one to three times during the last four weeks."*

In 1 instance, documentation did not support verbal disruptions 1-3 times during the past 28 days. 52

Physical Aggression

The PRI instructions/clarifications define physical aggression as *"assaultive or combative to self or others with the intent for injury."*

10 NYCRR Section 86-2.30 (IV) 24

Level 3 physical aggression is *"predictable aggression during specific care routines or as a reaction to normal stimuli . . . regardless of frequency."*

In 1 instance, documentation did not support predictable aggression during specific care routines. 52

Physical Therapy

PRI instructions/clarifications state:

10 NYCRR Section 86-2.30 (V) 27A

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

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. 2, 5

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

2, 5, 14, 17, 26, 59, 69, 86, 97, 98, 105, 112

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 17 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.

3, 4, 5, 7, 8, 12, 17, 25, 26, 29, 38, 90, 93, 96, 100, 105, 110

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

88, 100, 102, 105, 109, 110, 112, 113

RUGS-II Classifications Overturned

In 34 instances, the RUG-II classifications were overturned.

10 NYCRR Section 86-2.11

2, 3, 5, 11, 15, 17, 22, 23, 24, 25, 26, 27, 28, 29, 35, 38, 40, 43, 44, 45, 51, 54, 55, 58, 64, 80, 81, 84, 85, 86, 90, 93, 96, 98