# NEW YORK STATE
# OFFICE OF THE MEDICAID INSPECTOR GENERAL

## REVIEW OF WELLCARE OF NEW YORK, INC. MANAGED CARE CROSSOVER WITH A COLER-GOLDWATER FACILITY, RESIDENTIAL TREATMENT FACILITY OR A STATE RUN FACILITY

## DATES OF SERVICE FROM NOVEMBER 1, 2007 THROUGH DECEMBER 31, 2012

## FINAL AUDIT REPORT
## AUDIT #13-6302

James C. Cox
Medicaid Inspector General

March 6, 2014

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**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 6, 2014

[redacted]
WellCare of New York, Inc.
110 Fifth Avenue
New York, New York 10011

Re: Final Audit Report
Audit # 13-6302
Provider #[redacted]

Dear [redacted]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid monthly capitation payments made to WellCare of New York, Inc. (Plan) that were determined to be overpayments and recoverable based on the enrollee's inpatient or residential status in one of the following types of facilities: a Coler-Goldwater Facility, a Residential Treatment Facility, or a State Run Facility. In accordance with the Medicaid Managed Care/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 (NYCRR), this report represents the final determination regarding capitation payments made on behalf of enrollees who were receiving care in a Coler-Goldwater Facility, a Residential Treatment Facility or a State Run Facility.

## BACKGROUND

The New York State Department of Health (the Department) is the state agency responsible for the administration of the Medicaid program. As part of its responsibility as an entity within the Department, 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 the NYCRR) and the Department'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, 6.1, and Appendix H and M of the Contract, and Chapter 2: Eligible Populations of the New York State Operational Protocol for the Partnership Plan, the OMIG, on behalf of the Department, has a right to recover premiums paid to the Plan for members 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 monthly capitation payment from Medicaid for an enrollee who at the time was receiving all paid medical care for the entire month in a Coler-Goldwater Facility, a Residential Treatment Facility or a State Run Facility. When an enrollee has entered or stayed in a long-term hospital or a residential facility and the Plan is not at risk for medical services, the enrollee must be disenrolled retroactively and the capitation payments returned to Medicaid. The scope of the audit period is from November 1, 2007, through December 31, 2012.

## FINDINGS

A Draft Audit Report was issued on October 22, 2013, identifying $68,830.70 in overpaid capitation payments made to the Plan and not subsequently returned to Medicaid when the Plan received monthly capitation payments for enrollees who were receiving all paid medical care in a Coler-Goldwater Facility, a Residential Treatment Facility, or a State Run Facility. In response to the Draft Audit Report the Plan submitted documentation contesting a portion of the claims (Attachment I). Upon reviewing the documentation, the OMIG agreed to reduce the overpayments in the Draft Audit Report by $1,887.94 (Attachment II) resulting in an overpayment of $66,942.76. 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 $66,942.76. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of $66,942.76. 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
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, 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. Please contact or via e-mail at for the password of the enclosed disk or if you have any questions regarding the above. Thank you for your cooperation.

Sincerely,

Division of Medicaid Audit, Albany Office
Office of the Medicaid Inspector General

Attachments

CERTIFIED MAIL
RETURN RECEIPT REQUESTED