



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

**REVIEW OF AMERIGROUP NEW YORK LLC
RETROACTIVE 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
May 30, 2013**

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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

May 30, 2013

[REDACTED]
Amerigroup New York LLC
4425 Corporation Lane
Virginia Beach, VA 23462

Re: Final Audit Report
Audit # 13-1147
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid monthly capitation payments made to Amerigroup New York LLC (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 March 28, 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 from January 1, 2011 to December 31, 2011.

FINDINGS

A Draft Audit Report was issued on February 22, 2013 identifying \$94,033.86 in overpaid capitation payments made to the Plan and not subsequently returned to Medicaid when the enrollee was retroactively disenrolled from the Plan due to permanent placement in a Residential/Long Term Health Care Facility. OMIG received a response from the Plan on March 28, 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 \$94,033.86. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$94,033.86 (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 report or notice of proposed agency action."

If the Plan wishes to request a hearing, the request must be submitted in writing within sixty (60) days of the date of this notice 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 [REDACTED] Office of Counsel at [REDACTED]

At the hearing you have the right to:

- a) Be represented by an attorney or other representative, or to represent yourself;
- b) Present witnesses and written and/or oral evidence to explain why the action taken is wrong;
- c) Cross examine witnesses of the Department of Health and/or the OMIG; and
- d) Have an interpreter if you do not speak English or are deaf.

If you have any questions regarding the above, please contact [REDACTED] at [REDACTED] or via e-mail at [REDACTED]. Thank you.

Sincerely,

[REDACTED]

Bureau of Managed Care Audit & Provider Review
Office of the Medicaid Inspector General

CERTIFIED MAIL # [REDACTED]
RETURN RECEIPT REQUESTED