NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF NYS CATHOLIC HEALTH PLAN INC. SUPPLEMENTAL MATERNITY AND NEWBORN CAPITATION PAYMENTS ON BEHALF OF ENROLLEES WITHOUT CORRESPONDING ENCOUNTER DATA JANUARY 1, 2012 – DECEMBER 31, 2012

FINAL AUDIT REPORT
AUDIT # 13-6658

James C. Cox
Medicaid Inspector General

May 8, 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

May 8, 2014

[redacted]
New York State Catholic Health Plan
c/o Fidelis Care New York
95-25 Queens Boulevard, Eighth Floor
Rego Park, New York 11374

Re: Final Audit Report
Audit #: 13-6658
Provider ID #: [redacted]

Dear [redacted]

The New York State Office of the Medicaid Inspector General (OMIG) has identified Medicaid and Family Health Plus supplemental newborn or maternity capitation payments made to NYS Catholic Health Plan Inc. (Plan) where there was no corresponding hospital birth or delivery encounter data submitted. In accordance with 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.

After reviewing the Plan's February 25, 2014 response to the OMIG's January 28, 2014 Revised Draft Audit Report, as well as any information/documentation submitted, the OMIG has considered the documentation and the report has been revised accordingly. Consideration of the documentation resulted in an overall reduction of $21,780.42 to the total Medicaid overpayment shown in the Revised Draft Audit Report. A detailed explanation can be found in the Findings section.

BACKGROUND, PURPOSE AND SCOPE

The New York State Department of Health (the Department) is 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 (Titles 10 and 18 of 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 Medicaid Managed Care and/or Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

The purpose of the audit was to identify instances where the Plan received a supplemental newborn and/or maternity capitation payment from Medicaid where no corresponding encounter data was reported by the Plan for the services. The audit identified instances where the Plan failed to maintain and provide documentation to support the billing of supplemental newborn and maternity capitation payments. The scope of the audit included supplemental newborn and maternity capitation payments with dates of services from January 1, 2012 through December 31, 2012.

Sections 3.9 and 3.10 of the Contract provide for a supplemental newborn or maternity capitation payment to a managed care organization (MCO) where applicable. The MCO must first make payment to the hospital for the birth or delivery before billing Medicaid for the supplemental payment, and maintain on file evidence of the payment. Section 18.5 (a)(iv) of the Contract, *Reporting Requirements for Encounter Data*, also requires the MCO to prepare and submit encounter data on a monthly basis to the Department. Pursuant to 3.9(d) and 3.10(f) of the Contract, "Failure to have supporting records may, upon audit, result in recoupment of the supplemental maternity or newborn capitation payment by the Department."

FINDINGS

A Revised Draft Audit Report was issued January 28, 2014 identifying $72,255.10 in inappropriately billed claims for supplemental maternity or newborn capitation payments wherein the Plan failed to submit encounter data. 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 $21,780.42 (Attachment II) resulting in an overpayment of $50,474.68.

In accordance with 18 NYCRR Parts 517 and 518 and pursuant to the Contract, specifically Section 3.6 and Appendix H, the OMIG, on behalf of the Department, 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.

In accordance with 18 NYCRR 518.4, interest may be collected on any overpayments identified in this audit and will accrue at the current rate from the date of the overpayment. Interest was calculated on the overpayments identified in this Revised Draft Audit Report using the Federal Reserve Prime rate (3.25%) from the date of each overpayment to November 15, 2013 for all claims paid prior to November 2013. For claims paid later, interest was calculated from the date of the overpayment to January 22, 2014.

The total amount of overpayment, inclusive of interest, as defined in 18 NYCRR §518.1(c) is $51,780.60. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of $50,474.68. Therefore, $1,305.92 is due the New York State Department of Health (Attachment III).

PAYMENT OPTIONS

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

OPTION #1: Make a 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 #13-6658
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 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

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 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

Enclosures

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE	PROVIDER #	[redacted]
NYS Catholic Health Plan Inc. c/o Fidelis Care New York 95-25 Queens Boulevard, Eighth Floor Rego Park, New York 11374	AUDIT #	13-6658
	PROVIDER TYPE	☐ Fee For Service ☐ Rate - LTC ☐ Rate - NH ☒ Managed Care ☐ Other
AMOUNT DUE: $1,305.92		

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
File #13-6658
Albany, New York 12237-0016

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

Thank you for your cooperation.