



STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
584 Delaware Ave, 2nd floor
Buffalo, New York 14202

DAVID A. PATERSON
GOVERNOR

JAMES G. SHEEHAN
MEDICAID INSPECTOR GENERAL

November 15, 2010

[REDACTED]
Hospital of Newfane, Inc.
2600 William Street
Newfane, New York 14108

Re: Newfane Rehabilitation and Health
Care Center Corporation
Notice of Rate Changes #10-4925
NPI Number: [REDACTED]
Provider Number: [REDACTED]

Dear [REDACTED]

The Department of Social Services conducted an audit of your predecessor's (Newfane Health Facility) costs for the six months base period ended August 31, 1991 (audit #93-E04-1179). This audit resulted in downward adjustments of their March 1, 1991 through December 31, 1992 rates.

Previously issued Notice(s) of Rate Changes have addressed over or underpayments through December 31, 2007. However, the base period ended August 31, 1991 year is also used to calculate the operating portion of the January 1, 2008 through March 31, 2009 rates. Based on the enclosed audited rates calculated by the Bureau of Long Term Care Reimbursement, the Medicaid underpayment currently due the facility is \$189,845. This underpayment is subject to Department of Health (the "DOH") and Division of Budget (the "DOB") final approval. While not anticipated, any difference between the calculated underpayment and the final DOH and DOB approved amount will be resolved with the Facility by the OMIG Bureau of Collections Management.

The appropriate rate sheets to support the amount due the facility have been sent to Mr. John Dunn at the facility. The rate sheets reflect only the carry forward of the base period operating expense adjustments. All other components of the January 1, 2008 to March 31, 2009 rates may be subject to future audit. The revised rates and Medicaid impact are as follows.

<u>Rate Period</u>	<u>Issued Rates</u>	<u>Final Rates</u>	<u>Rate Decrease/ (Increase)</u>	<u>Medicaid Days</u>	<u>Medicaid Impact</u>
01/01/08-03/31/08	\$148.64/148.23	\$151.53/151.12	\$(2.89)	13,454	\$ (38,882)
04/01/08-06/30/08	145.88/145.47	148.77/148.36	(2.89)	13,270	(38,350)
07/01/08-12/31/08	148.81/148.40	151.70/151.29	(2.89)	26,504	(76,597)
01/01/09-03/31/09	138.53/138.11	141.40/140.98	(2.87)	12,549	<u>(36,016)</u>
TOTAL MEDICAID OVERPAYMENT/(UNDERPAYMENT)					<u>\$ (189,845)</u>

Arrangements for crediting the facility for the amount of the underpayment will be made by the Bureau of Collections Management in our Albany office. Should you have any questions, please contact them at:

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

If you have any questions regarding the above, please call [REDACTED] at [REDACTED]

Sincerely,

[REDACTED]

Director, Audit Resources Management
Division of Medicaid Audit
Audit Management and Development
Office of the Medicaid Inspector General

cc: [REDACTED]

Enclosure – Rate Sheets