



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

November 26, 2013

[REDACTED]
Hebrew Hospital Home of Westchester, Inc.
61 Grasslands Roads
Valhalla, New York 10595

Re: Medicaid Rate Audit #11-1499
NPI Number: [REDACTED]
Provider Number: [REDACTED]

Dear [REDACTED]

Enclosed is the final audit report of the Office of the Medicaid Inspector General's (OMIG) audit of Hebrew Hospital Home of Westchester's (Facility) LTHHCP Medicaid rates for the rate period January 1, 2006 through December 31, 2009. In accordance with 18 NYCRR Section 517.6, this report represents the OMIG's final determination on issues raised in the draft audit report.

Since you did not respond to our draft audit report dated October 2, 2013, the findings in the final audit report remain identical to the draft audit report. Based on the enclosed audited rates, the Medicaid overpayment currently due is \$61,358. 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 approved amount will be resolved with the Facility by the OMIG Bureau of Collections Management.

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 #11-1499
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 15% withhold after 20 days until the agreement is established. The OMIG may require financial information from you to establish the terms of the repayment agreement. If additional information is requested, the OMIG must receive the information within 30 days of the request or a 50% withhold will be imposed. 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. The OMIG will notify you no later than 5 days after initiating such action. If you wish to enter into a repayment agreement, you must forward your written request within 20 days to 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 [REDACTED]

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, please contact [REDACTED] or through email at [REDACTED]. Please refer to audit number 11-1499 in all correspondence.

Sincerely,

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

Enclosure

- EXHIBIT I - Summary of Per Visit/Hour Impact and Medicaid Overpayment
- EXHIBIT II - Post Stepdown Expense Disallowances/(Allowances)
- EXHIBIT III - NY Public Health Law 3614.8 & 3614.9 Disallowances/(Allowances)
- EXHIBIT IV - Summary of Audit Adjustments, Audited Stepdown Beginning Balances, and Audited Stepdown – Rate Year 2009

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED

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

NAME AND ADDRESS OF AUDITEE

Hebrew Hospital Home of
Westchester, Inc.
61 Grasslands Road
Valhalla, New York 10595

NPI #: [REDACTED]
PROVIDER #: [REDACTED]

AUDIT #11-1499

AMOUNT DUE: \$61,358

AUDIT	<input type="checkbox"/>	PROVIDER
TYPE	<input checked="" type="checkbox"/>	RATE
	<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:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #11-1499
Albany, New York 12237-0048

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

[REDACTED]

CORRECT PROVIDER NUMBER

HEBREW HOSPITAL HOME, INC. LONG TERM HOME HEALTH CARE PROGRAM - AUDIT #11-1499
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2009
SUMMARY OF PER VISIT/HOUR IMPACT AND MEDICAID OVERPAYMENT

<u>RATE PERIOD</u>	<u>DISCIPLINES</u>	<u>ISSUED RATE</u>	<u>FINAL RATE</u>	<u>RATE DECREASE (INCREASE)</u>	<u>MEDICAID VISITS OR HOURS*</u>	<u>MEDICAID OVERPAYMENT (UNDERPAYMENT)</u>
01/01/06 - 12/31/08	No changes to promulgated rates					\$ -
01/01/09 - 3/31/09	Skilled Nursing	\$136.76	\$131.01	\$5.75	2,524	\$ 14,513
	Physical Therapy	93.67	93.67	-	71	-
	Medical Social Services	151.64	151.64	-	49	-
	Nutrition	116.73	116.60	0.13	33	4
	Home Health Aide	19.15	18.14	1.01	3,327	3,360
	Personal Care Aide	23.53	23.53	-	127,139	-
04/01/09 - 12/31/09	Skilled Nursing	\$130.70	\$125.20	\$5.50	7,432	\$ 40,876
	Physical Therapy	89.53	89.53	-	212	-
	Medical Social Services	144.93	144.93	-	312	-
	Nutrition	111.56	111.43	0.13	208	27
	Home Health Aide	18.31	17.33	0.98	2,631	2,578
	Personal Care Aide	22.49	22.49	-	391,142	-
TOTAL MEDICAID OVERPAYMENT						<u>\$ 61,358</u>

* Medicaid "Hours" are used in the calculation of Home Health Aide and Personal Care rates. For all other disciplines, "Visits" are used.

NOTE: There were no audit adjustments associated with the 2006, 2007 or 2008 rates. Accordingly, there is no estimated Medicaid impact for those specific years and there are no Exhibits included for those related base periods.

HEBREW HOSPITAL HOME, INC. LONG TERM HOME HEALTH CARE PROGRAM
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2009
POST STEPDOWN EXPENSE DISALLOWANCES/(ALLOWANCES)*

DESCRIPTION	COST CENTER	DISALLOWED	RATE PERIODS							
			01/01/06	12/31/06	01/01/07	12/31/07	01/01/08	12/31/08	01/01/09	12/31/09
Unaudited Post Stepdown Expenses			\$ 12,581,351	\$ 13,583,041	\$ 14,706,972	\$ 15,541,766				
Less Post Stepdown Disallowances/(Allowances):										
RETENTION & RECRUITMENT EXPENSE DISALLOWANCE										
Nursing General	123	\$ 83,469	-	-	-	-	-	-	-	83,469
Home Health Aide	127	646,306	-	-	-	-	-	-	-	646,306
Nutrition	132	12	-	-	-	-	-	-	-	12
Total Post Stepdown Disallowance/(Allowance)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 729,787
AUDITED NET EXPENSES			\$ 12,581,351	\$ 13,583,041	\$ 14,706,972	\$ 14,811,979				

New York State Public Health Law (NY PHL) 3614-8 and 3614-9 allows for certain rate "add-ons" for purposes of improving recruitment, training and retention of non-supervisory home care service workers or any worker with direct patient care responsibility for services provided on or after December 1, 2002. The Facility's offset for Recruitment and Retention was understated on Schedule C, Column 15 of the 2007 Cost Report. In accordance with the "revenue" and "matching" principles under Generally Accepted Accounting Principles (GAAP), any funds recorded as revenue earned should have been spent on qualifying expense within the financial reporting period. The Facility reported these "add-ons" as revenue in its financial statements in the period received. Consequently, in accordance with GAAP principles, these "add-ons" were deemed to be expensed in the specific years paid and reported. Specifically, OMIG has determined that the Facility did not properly offset \$729,787 in Recruitment and Retention grant monies earned, received, and deemed spent in the 2007 cost year. Note that OMIG has offset these monies based upon increases in the Agency's reported costs for each of the disciplines noted.

Regulations: NYS Public Health Law 3614-8 and 3614-9,
 10 NYCRR Section 86-5.4

* Note that there were no direct cost disallowances proposed for the 2006 through 2009 rate periods. However, the above noted post stepdown adjustments were proposed for the 2009 rate period only.

HEBREW HOSPITAL HOME, INC. LONG TERM HOME HEALTH CARE PROGRAM
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2009
NY PUBLIC HEALTH LAW SECTIONS 3614-8 & 3614-9 DISALLOWANCES/(ALLOWANCES)

New York State Public Health Law (NY PHL) Sections 3614-8 and 3614-9 allow for certain rate "add-on" percentages for purposes of improving recruitment, training, and retention of non-supervisory home care service workers or any worker with direct patient care responsibility, for services provided by long term home health care programs, on or after December 1, 2002. The below Worker Recruitment & Retention (WR&R) and Recruitment, Training & Retention (RT&R) "add-on" rate adjustments give effect to the post stepdown adjustments reported on Exhibit II. The Exhibit II adjustments, in effect, reduce the reported 2009 calculated rates of the Agency's various disciplines (Skilled Nursing, PT, Home Health Aides, etc.), prior to the WR&R and RT&R rate "add-on" percentages being applied. Accordingly, since the WR&R and RT&R "add-ons" are a bi-product of the calculated rates, the adjustments shown below are required.

Laws and Regulations: NY Public Health Law 3614-8 and 3614-9, 10 NYCRR Section 86-5.4

WORKER RECRUITMENT & RETENTION PER VISIT/HOUR ADJUSTMENTS - NY PHL 3614-8

	RATE PERIODS	
	01/01/09	04/01/09
	03/31/09	12/31/09
WR&R Per Visit Rates - SN	\$ 3.82	\$ 3.64
WR&R Per Visit per Audit - SN	3.66	3.49
Disallowed/(Allowed)	\$ 0.16	\$ 0.15
WR&R Per Visit Rates - PT	2.61	\$ 2.49
WR&R Per Visit per Audit - PT	2.61	2.49
Disallowed/(Allowed)	\$ -	\$ -
WR&R Per Visit Rates - Med Soc Serv	\$ 4.23	\$ 4.04
WR&R Per Visit per Audit - Med Soc Serv	4.23	4.04
Disallowed/(Allowed)	\$ -	\$ -
WR&R Per Hour Rates - Nutrition	\$ 3.26	\$ 3.11
WR&R Per Visit per Audit - Nutrition	3.25	3.10
Disallowed/(Allowed)	\$ 0.01	\$ 0.01
WR&R Per Hour Rates - HHA	\$ 0.53	\$ 0.51
WR&R Per Hour per Audit - HHA	0.51	0.48
Disallowed/(Allowed)	\$ 0.02	\$ 0.03
WR&R Per Hour Rates - Personal Care	\$ 0.66	\$ 0.63
WR&R Per Hour per Audit - Personal Care	0.66	0.63
Disallowed/(Allowed)	\$ -	\$ -

RECRUITMENT TRAINING & RETENTION PER VISIT/HOUR ADJUSTMENTS - NY PHL 3614-9

	RATE PERIODS	
	01/01/09	04/01/09
	03/31/09	12/31/09
RT&R Per Visit Rates - SN	\$ 5.71	\$ 5.70
RT&R Per Visit per Audit - SN	5.47	5.46
Disallowed/(Allowed)	\$ 0.24	\$ 0.24
RT&R Per Visit Rates - PT	\$ 3.91	\$ 3.91
RT&R Per Visit per Audit - PT	\$ 3.91	\$ 3.91
Disallowed/(Allowed)	\$ -	\$ -
WR&R Per Hour Rates - Med Soc Serv	\$ 6.33	\$ 6.32
WR&R Per Hour per Audit - Med Soc Serv	\$ 6.33	\$ 6.32
Disallowed/(Allowed)	\$ -	\$ -
WR&R Per Hour Rates - Nutrition	\$ 4.88	\$ 4.87
WR&R Per Hour per Audit - Nutrition	\$ 4.87	\$ 4.86
Disallowed/(Allowed)	\$ 0.01	\$ 0.01
WR&R Per Hour Rates - HHA	\$ 0.80	\$ 0.80
WR&R Per Hour per Audit - HHA	\$ 0.76	\$ 0.76
Disallowed/(Allowed)	\$ 0.04	\$ 0.04
WR&R Per Hour Rates - Personal Care	\$ 0.98	\$ 0.98
WR&R Per Hour per Audit - Personal Care	\$ 0.98	\$ 0.98
Disallowed/(Allowed)	\$ -	\$ -

HEBREW HOSPITAL HOME, INC. LONG TERM HOME HEALTH CARE PROGRAM
 RATE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009
 SUMMARY OF AUDIT ADJUSTMENTS, AUDITED STEPDOWN BEGINNING BALANCES, AND AUDITED STEPDOWN

SUMMARY OF AUDIT ADJUSTMENTS AND AUDITED STEPDOWN BEGINNING BALANCES

Cost Centers	Unaudited Stepdown Beginning Balances	2007		Audited Stepdown Beginning Balances
		Expense Disallowance (No Adjmts.)	Expense Disallowance (No Adjmts.)	
Administrative & General	\$ 1,577,823	\$ -	\$ -	\$ 1,577,823
Unidentified to Special Function	8,659	-	-	8,659
Patient Assessment	520,412	-	-	520,412
Nursing General	1,753,308	-	-	1,753,308
Physical Therapy	34,002	-	-	34,002
Occupational Therapy	-	-	-	-
Home Health Aides	10,478,312	-	-	10,478,312
Personal Care	1,413,998	-	-	1,413,998
Medical Social Service	82,445	-	-	82,445
Nutrition	9,031	-	-	9,031
Totals	\$ 15,877,990	\$ -	\$ -	\$ 15,877,990

AUDITED STEPDOWN CALCULATION

Cost Centers	Audited Stepdown Beginning Balances	Admin & General	Unidentified to Special Function	Patient Assessment	Ending Stepdown Balances	POST STEPDOWN ADJUSTMENTS		Audited Rate Sheet Allowable Costs
						Provider's Recruitment & Retention Recoveries	OMIG's Recruitment & Retention Recoveries	
Administrative & General	\$ 1,577,823	\$ (1,577,823)	(8,659)	-	-	-	-	\$ 1,901,427
Unidentified to Special Function	8,659	-	-	-	-	-	-	40,983
Patient Assessment	520,412	6,431	35	(526,878)	-	-	(83,469)	71
Nursing General	1,753,308	172,726	948	57,914	\$ 1,984,896	\$ -	-	11,369,639
Physical Therapy	34,002	5,206	29	1,746	40,983	-	-	1,403,877
Occupational Therapy	-	53	-	18	71	-	-	85,532
Home Health Aides	10,478,312	1,285,711	7,056	431,091	12,202,170	(186,225)	(646,306)	10,450
Personal Care	1,413,998	104,326	573	34,980	1,553,877	(150,000)	-	-
Medical Social Service	82,445	2,302	13	772	85,532	-	-	-
Nutrition	9,031	1,067	6	358	10,462	-	(12)	-
Rounding	-	1	(1)	(1)	(1)	-	-	-
Totals	\$ 15,877,990	\$ -	\$ -	\$ -	\$ 15,877,990	\$ (336,225)	\$ (729,787)	\$ 14,811,979