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

October 19, 2012

[redacted]
John T. Mather Memorial Hospital
75 North Country Road
Port Jefferson, New York 11777-2190

FINAL AUDIT REPORT
Audit #2010Z60-011N
Provider [redacted]

Dear [redacted]:

The New York State Office of the Medicaid Inspector General (the "OMIG") completed an audit of Medicaid claims paid for Partial Hospitalization Services under Category of Service 0160 (Free Standing Diagnostic and Treatment Center Clinic) and 0287 (Hospital Based Outpatient Clinic). 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 issues found during the OMIG's review.

After reviewing your response to the OMIG's September 16, 2010 Draft Audit Report, the OMIG reduced the Draft Audit Report disallowances of $41,437.28 to $30,783.31 in the Final Report. A detailed explanation of the revision is included in the Final Report.

Based on this determination, restitution of the overpayments as defined in 18 NYCRR 518.1 is required in the amount of $30,783.31, inclusive of interest.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described as follows:

OPTION #1: Make a full payment by check or money order within 20 days of the date of the final report. The check should be made payable to the New York State Department of Health and be sent with the enclosed Remittance Advice form, signed and dated, to:

New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Albany, New York 12237

OPTION #2: Enter into a repayment agreement with the Office of the Medicaid Inspector General to have the overpayments applied against your future Medicaid payments. If your repayment terms exceed 90 days from the date of the final 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 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:

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

Do not submit claim voids or adjustments in response to this Final Audit Report.

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.

The Facility 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 Facility wishes to request a hearing, the request must be submitted in writing to:

General Counsel
Division of Counsel
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

If a hearing is held, the Facility may have a person represent the Facility or the Facility may represent itself. If the Facility chooses to be represented by someone other than an attorney, the Facility must supply along with the Facility's hearing request a signed authorization permitting that person to represent the Facility. At the hearing, the Facility may call witnesses and present documentary evidence on the Facility's behalf.

Questions concerning this audit may be directed to [redacted] at [redacted].

Sincerely,

[redacted]

Bureau of Business Intelligence
Office of the Medicaid Inspector General

Enclosure

CERTIFIED MAIL # [redacted]
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE

John T. Mather Memorial Hospital
75 North Country Road
Port Jefferson, NY 11777-2190

AMOUNT DUE: $ 30,783.31

Provider [redacted]

AUDIT #2010Z60-011N

AUDIT TYPE	[X] PROVIDER [ ] RATE [ ] PART B [ ] 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]
Medicaid Financial Management
New York State Department of Health
GNARESP Corning Tower, Room 2739
File #2010Z60-011N
Albany, New York 12237

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

CORRECT PROVIDER NUMBER

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

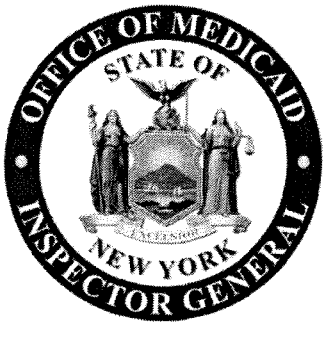
ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

FINAL REPORT

JOHN T. MATHER MEMORIAL HOSPITAL
75 NORTH COUNTRY ROAD
PORT JEFFERSON, NEW YORK 11777-2190

PARTIAL HOSPITALIZATION
#2010Z60-011N



ISSUED OCTOBER 19, 2012

BACKGROUND, PURPOSE AND SCOPE

The New York State Department of Health (DOH) is responsible for the administration of the Medicaid program. As an independent office within DOH, the OMIG conducts audits and reviews of providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at ensuring provider compliance with applicable laws, regulations, rules and policies of the Medicaid program as set forth in NY Public Health Law, NY Social Services Law, regulations of the Departments of Health, [Titles 10 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the Medicaid Provider Manuals.

Partial hospitalization is an intensive outpatient treatment program licensed by the New York State Office of Mental Health. Partial hospitalization is designed to provide patients with profound or disabling mental health conditions individualized, coordinated, comprehensive, and multidisciplinary treatment in an outpatient setting. This program serves as an alternative to admission to or a continued stay at an inpatient hospital.

Partial hospitalization treatment is not to exceed six calendar weeks. When the patient is admitted to an inpatient psychiatric facility during their course of treatment, the facility generally discharges the patient. When this occurs, the episode dates will be recalculated to reflect this break in service. The next episode will begin with the first partial hospitalization service date after the psychiatric inpatient stay. Any service that exceeds the six week regulatory limit will be disallowed.

Further, reimbursement shall be limited to 180 hours per course of treatment per recipient within the partial hospitalization program. Services that exceed the regulatory 180 hour limit will be disallowed.

The purpose of this review is to determine if reimbursement for visits associated with a partial hospitalization program, per recipient, are limited to 180 hours or six weeks per course of treatment.

To accomplish this, partial hospitalization service claims with payment dates from January 1, 2006 through December 31, 2009 were reviewed.

Please note that due to the implementation of the National Provider Identifier (NPI) on September 1, 2008, there may be multiple Provider Identification Numbers associated with the Primary Provider Identification Number. The NPI is linked to the Primary Provider Identification Number. The Primary Provider Identification Number is used for correspondence and recoupment.

DETAILED FINDINGS

The detailed finding of our audit is as follows:

I. Treatment Exceeding Six Weeks

Regulations state: "By enrolling the provider agrees ... that the information provided in relation to any claim for payment shall be true, accurate, and complete;"

18 NYCRR 504.3(h)

Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."

18 NYCRR 504.3(i)

Regulation 18 NYCRR 518.(c) defines "overpayment" as "any amount not authorized to be paid under the medical assistance program, whether paid as a result of ...improper claiming... or mistake" and provides for the recovery by OMIG of these overpayments.

18 NYCRR 518.1(c)

Regulations state: "Partial hospitalization visits shall be reimbursed on the basis of duration of hours provided as follows:... (2) Reimbursement for partial hospitalization shall be limited to no more than 180 hours per course of treatment per recipient within a partial hospitalization program. A course of treatment shall not exceed six calendar weeks, unless, during the course of treatment, the recipient is admitted to an inpatient psychiatric facility. Such course of treatment may be extended to include the number of days of inpatient treatment, up to a maximum of 30 days. Each course of treatment is a new admission.

14 NYCRR 588.9 (a)(2)

Exhibit I is a list of all Medicaid patients who have claims exceeding the regulatory limit of a six-week treatment period. Submitting these claims to Medicaid resulted in an overpayment of $25,975.30.

II. Treatment Exceeding 180 Hours

Regulations state: "By enrolling the provider agrees ... that the information provided in relation to any claim for payment shall be true, accurate, and complete;"

18 NYCRR 504.3(h)

Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."

18 NYCRR 504.3(i)

> Regulations state: "Partial hospitalization visits shall be reimbursed on the basis of duration of hours provided as follows:... (2) Reimbursement for partial hospitalization shall be limited to no more than 180 hours per course of treatment per recipient within a partial hospitalization program. A course of treatment shall not exceed six calendar weeks, unless, during the course of treatment, the recipient is admitted to an inpatient psychiatric facility. Such course of treatment may be extended to include the number of days of inpatient treatment, up to a maximum of 30 days. Each course of treatment is a new admission.
>
> *14 NYCRR 588.9 (a)(2)*

Exhibit II is a list of all Medicaid patients who have claims exceeding the regulatory limit of 180 hours per treatment period. Submitting these claims to Medicaid resulted in an overpayment of $0.

DETERMINATION

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 preliminary determination of the overpayment. For the overpayments identified in this audit, the OMIG has determined that accrued interest totals $4,808.01.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR 518.1(c) is $30,783.31, inclusive of interest.