



**Office of the  
Medicaid Inspector  
General**

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

**REVIEW OF BETH ISRAEL MEDICAL CENTER  
CLAIMS FOR OUTPATIENT CLINIC/EMERGENCY ROOM (ER) AND  
ORDERED AMBULATORY SERVICES - OTHER THAN LABORATORY  
SERVICES  
PAID FROM  
JANUARY 1, 2006 – DECEMBER 31, 2008**

**FINAL AUDIT REPORT  
AUDIT #: 11-5845**

**Dennis Rosen  
Medicaid Inspector General**

**October 22, 2015**



Office of the  
Medicaid Inspector  
General

ANDREW M. CUOMO  
Governor

DENNIS ROSEN  
Medicaid Inspector General

October 22, 2015

[REDACTED]  
Beth Israel Medical Center  
555 West 57<sup>th</sup> Street, 18<sup>th</sup> Floor  
New York, New York 10019

Re: Final Audit Report  
Audit #: 11-5845  
Provider ID #: [REDACTED]  
NPI #: [REDACTED]

Dear [REDACTED]:

Enclosed is the Office of the Medicaid Inspector General (OMIG) final audit report entitled "Review of Beth Israel Medical Center (Provider) paid claims for Outpatient Clinic/Emergency Room (ER) and Ordered Ambulatory – Other Than Laboratory services covering the period January 1, 2006, through December 31, 2008. Since you did not respond to our draft audit report dated June 16, 2015, the findings in the final audit report are identical to those in the draft audit report.

In the attached final audit report, the OMIG has detailed our scope, procedures, laws, regulations, rules and policies, sampling technique, findings, provider rights, and statistical analysis.

The OMIG has attached the sample detail for the paid claims determined to be in error. The mean point estimate overpaid is \$1,790,228. This final audit report incorporates consideration of any additional documentation and information presented in response to the draft audit report dated June 16, 2015. The lower confidence limit of the amount overpaid is \$451,100. We are 95% certain that the actual amount of the overpayment is greater than the lower confidence limit. This audit may be settled through repayment of the lower confidence limit of \$451,100.

[REDACTED]  
Page 2  
October 22, 2015

If the Provider has any questions or comments concerning this final audit report, please contact [REDACTED]. Please refer to report number 11-5845 in all correspondence.

Sincerely,

[REDACTED]  
Division of Medicaid Audit, New York City  
Office of the Medicaid Inspector General

[REDACTED]  
Enclosure

CERTIFIED MAIL # [REDACTED]  
RETURN RECEIPT REQUESTED

[REDACTED]

## **OFFICE OF THE MEDICAID INSPECTOR GENERAL**

[www.omig.ny.gov](http://www.omig.ny.gov)

The mission of the Office of the Medicaid Inspector General (OMIG), as mandated by New York Public Health Law § 31 is to preserve the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds.

### **DIVISION OF MEDICAID AUDIT**

The Division of Medicaid Audit professional staff conducts audits and reviews of Medicaid providers to assess compliance and program requirements and, where necessary, to recover overpayments. These activities are done to monitor the cost-effective delivery of Medicaid services for prudent stewardship of scarce dollars; to assess the required involvement of professionals in planning care to program beneficiaries; safeguard the quality of care, medical necessity and appropriateness of Medicaid services provided; and, to reduce the potential for fraud, waste and abuse.

### **DIVISION OF MEDICAID INVESTIGATIONS**

The Division of Medicaid Investigations (DMI) investigates potential instances of fraud, waste, and abuse in the Medicaid program. DMI deters improper behavior by inserting covert and overt investigators into all aspects of the program, scrutinizing provider billing and services, and cooperating with other agencies to enhance enforcement opportunities. Disreputable providers are removed from the program or prevented from enrolling. Recipients abusing the system are not removed from this safety net, but their access to services is examined and restricted, as appropriate. DMI maximizes cost savings, recoveries, penalties, and improves the quality of care for the state's most vulnerable population.

### **DIVISION OF TECHNOLOGY AND BUSINESS AUTOMATION**

The Division of Technology and Business Automation will continue to support the data needs for the OMIG in the form of audit and investigative support, data mining and analysis, system match and recovery, through the use of commercial data mining products and procurement of expert service consultants.

### **OFFICE OF COUNSEL TO THE MEDICAID INSPECTOR GENERAL**

The Office of Counsel to the Medicaid Inspector General promotes the OMIG's overall statutory mission through timely, accurate and persuasive legal advocacy and counsel.

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The federal and state governments jointly fund and administer the Medicaid program. In New York State, the Department of Health (DOH) administers the Medicaid program. As part of this responsibility, the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are conducted to determine if the provider complied with applicable laws, regulations, rules and policies of the Medicaid program as set forth by the Departments of Health and Mental Hygiene [Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the Medicaid Provider Manuals.

Hospital outpatient services are provided by hospitals licensed under Article 28 of the NYS Public Health Law and certified by the NYS Department of Health to provide preventive, diagnostic, therapeutic, rehabilitative or palliative items or services furnished by or under the direction of a physician. The outpatient department must comply with all applicable provisions of State law. Hospital outpatient departments may provide those necessary medical, surgical, and rehabilitative services and items authorized by their operating certificates. In addition, hospitals may provide ambulatory services upon the order of a qualified physician, nurse practitioner, physician's assistant, dentist or podiatrist to diagnose or treat a patient or test a specimen taken from a patient. The specific standards and criteria for outpatient department services are principally found in various parts of 10 NYCRR Chapter V and 18 NYCRR Chapter II, as well as the separate MMIS provider manual for each type of service: Clinic and Ordered Ambulatory services.

### **PURPOSE AND SCOPE**

The purpose of this audit was to determine whether the Provider's claims for Medicaid reimbursement for Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory services complied with applicable federal and state laws, regulations, rules and policies governing the New York State Medicaid Program. With respect to Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory services, this audit covered services paid by Medicaid from January 1, 2006, through December 31, 2008. The outpatient clinic area includes emergency room, outpatient clinic and ambulatory surgery services. The ordered ambulatory-other than laboratory area includes radiology, cardiology, pulmonary, therapies and other services.

**SUMMARY OF FINDINGS  
OUTPATIENT CLINIC/ER**

We inspected a random sample of 100 services with \$12,622.82 in Medicaid payments. Of the 100 services in our random sample, 3 services had at least one error and did not comply with state requirements. Of the 3 noncompliant services, none contained more than one deficiency. Specifics are as follows:

<u>Error Description</u>	<u>Number of Errors</u>
Missing Documentation of Services	3

Based on the procedures performed, the OMIG has determined that the Provider was overpaid \$309.88 in sample overpayments (Attachment C-0287) with an extrapolated point estimate of \$865,706. The lower confidence limit of the amount overpaid is \$44,225.

**SUMMARY OF FINDINGS  
ORDERED AMBULATORY – OTHER THAN LABORATORY SERVICES**

We inspected a random sample of 100 services with \$5,510.01 in Medicaid payments. Of the 100 services in our random sample, 23 services had at least one error and did not comply with state requirements. Of the 23 noncompliant services, some contained more than one deficiency. Specifics are as follows:

<u>Error Description</u>	<u>Number of Errors</u>
No Written Order	18
Ordered Ambulatory Service Billed for Article 28 Facility Patient	6
Missing Documentation of Service	3

Based on the procedures performed, the OMIG has determined that the Provider was overpaid \$1,221.28 in sample overpayments (Attachment C-0282) with an extrapolated point estimate of \$924,582. The lower confidence limit of the amount overpaid is \$406,875.

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## INTRODUCTION

### BACKGROUND

#### Medicaid Program

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State governments jointly fund and administer the Medicaid program.

#### New York State's Medicaid Program

In New York State, the Department of Health (DOH) is the State agency responsible for operating the Medicaid program. Within DOH, the Office of Health Insurance Programs administers the Medicaid program. DOH uses the electronic Medicaid New York Information system (eMedNY), a computerized payment and information reporting system, to process and pay Medicaid claims, including Outpatient Clinic/Emergency Room (ER) and Ordered Ambulatory – Other Than Laboratory services claims.

As part of this responsibility, the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are conducted to determine if the provider complied with applicable laws, regulations, rules and policies of the Medicaid program as set forth by the Departments of Health and Mental Hygiene [Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the Medicaid Provider Manuals.

#### New York State's Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory Services Program

Hospital outpatient services are provided by hospitals licensed under Article 28 of the NYS Public Health Law and certified by the NYS Department of Health to provide preventive, diagnostic, therapeutic, rehabilitative or palliative items or services furnished by or under the direction of a physician. The outpatient department must comply with all applicable provisions of State law. Hospital outpatient departments may provide those necessary medical, surgical, and rehabilitative services and items authorized by their operating certificates. In addition, hospitals may provide ambulatory services upon the order of a qualified physician, nurse practitioner, physician's assistant, dentist or podiatrist to diagnose or treat a patient or test a specimen taken from a patient. The specific standards and criteria for outpatient department services are principally found in various parts of 10 NYCRR Chapter V and 18 NYCRR Chapter II, as well as the separate MMIS provider manual for each type of service: Clinic and Ordered Ambulatory.

### PURPOSE, SCOPE, AND METHODOLOGY

#### Purpose

The purpose of this audit was to determine whether the Provider's claims for Medicaid reimbursement for Outpatient Clinic/Emergency Room (ER) and Ordered Ambulatory – Other Than Laboratory services complied with applicable Federal and State laws, regulations, rules and policies governing the New York State Medicaid Program and to verify that:

- The all-inclusive rate was correctly billed;
- Medicaid reimbursable services were rendered for the dates billed;
- appropriate rate or procedure codes were billed for services rendered;
- patient related records contained the documentation required by the regulations; and,
- claims for payment were submitted in accordance with DOH regulations and the appropriate Provider Manuals; and
- no duplicate payments were made.

### Scope

Our audit period covered payments to the Provider for Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory services paid by Medicaid from January 1, 2006, through December 31, 2008. Universe and sample information is as follows:

<u>Category of Service</u>	<u>Sample</u>		<u>Universe</u>	
	<u>Services</u>	<u>Dollars Paid</u>	<u>Services</u>	<u>Dollars Paid</u>
Outpatient Clinic Services (0287)	100	\$ 12,622.82	279,368	\$ 36,685,470.60
Ordered Ambulatory-Other than Laboratory Services (0282)	<u>100</u>	<u>5,510.01</u>	<u>75,706</u>	<u>3,712,041.25</u>
Totals	<u>200</u>	<u>\$ 18,132.83</u>	<u>355,074</u>	<u>\$ 40,397,511.85</u>

During our audit, we did not review the overall internal control structure of the Provider. Rather, we limited our internal control review to the objective of our audit.

### Methodology

To accomplish our objective, we:

- reviewed applicable federal and state laws, regulations, rules and policies;
- held discussions with the Provider's management personnel to gain an understanding of the Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory services program;
- ran computer programming application of claims in our data warehouse that identified paid Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory services claims, as indicated above;
- selected a random sample of 200 services from the population of services as indicated above; and,
- estimated the overpayment paid in the population of 355,074 services.

For each sample selection we inspected, as available, the following:

- Medicaid electronic claim information
- Patient record, including, but not limited to:
  - Clinic/ER record
  - Radiology, cardiology, therapy orders and results
  - Medicare EOB's
- Any additional documentation deemed by the Provider necessary to substantiate the Medicaid paid claim

## LAWS, REGULATIONS, RULES AND POLICIES

The following are applicable Laws, Regulations, Rules and Policies of the Medicaid program referenced when conducting this audit:

- Departments of Health and Mental Hygiene [Titles 10, 14, and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (10 NYCRR, 14 NYCRR, 18 NYCRR)].
- Medicaid Management Information System and eMedNY Provider Manual.
- Specifically, Title 18 NYCRR Section 540.6, 504.3, 540.7, 517.3 and 518.1; and Title 10 NYCRR Sections 405.10 and 441.339:
- In addition to any specific detailed findings, rules and/or regulations which may be listed below, the following regulations pertain to all audits:

Regulations state: "By enrolling the provider agrees: (a) to prepare and to maintain contemporaneous records demonstrating its right to receive payment . . . and to keep for a period of six years from the date the care, services or supplies were furnished, all records necessary to disclose the nature and extent of services furnished and all information regarding claims for payment submitted by, or on behalf of, the provider . . . (e) to submit claims for payment only for services actually furnished and which were medically necessary or otherwise authorized under the Social Services Law when furnished and which were provided to eligible persons; (f) to submit claims on officially authorized claim forms in the manner specified by the department in conformance with the standards and procedures for claims submission; . . . (h) that the information provided in relation to any claim for payment shall be true, accurate and complete; and (i) to comply with the rules, regulations and official directives of the department."  
*18 NYCRR Section 504.3*

Regulations state: "Fee-for-service providers. (1) All providers . . . must prepare and maintain contemporaneous records demonstrating their right to receive payment . . . All records necessary to disclose the nature and extent of services furnished and the medical necessity therefor . . . must be kept by the provider for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later. (2) All information regarding claims for payment submitted by or on behalf of the provider is subject to audit for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later, and must be furnished, upon request, to the department . . . for audit and review."  
*18 NYCRR Section 517.3(b)*

Regulations require that bills for medical care, services and supplies contain patient name, case number and date of service; itemization of the volume and specific types of care, services and supplies provided; the unit price and total cost of the care, services and supplies provided; and a dated certification by the provider that the care, services and supplies itemized have been in fact furnished; that the amounts listed are in fact due and owing; that such records as are necessary to disclose fully the extent of care, services and supplies provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years from the date of payment; and that the provider understands that payment and satisfaction of this claim will be from Federal, State and local public funds and that he or she may

be prosecuted under applicable Federal and State laws for any false claims, statements or documents, or concealment of a material fact provided.

*18 NYCRR Section 540.7(a)(1)-(3) and (8)*

Regulations state: "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."

*18 NYCRR Section 518.1(c)*

Regulations state: "Vendor payments for medical care and other items of medical assistance shall not be made unless such care or other items of assistance have been furnished on the basis of the appropriate authorization prescribed by the rules of the board and regulations of the department."

*18 NYCRR Section 540.1*

Regulations state: "The department may require repayment from the person submitting an incorrect or improper claim, or the person causing such claim to be submitted, or the person receiving payment for the claim."

*18 NYCRR Section 518.3(a)*

Regulations state: "The department may require repayment for inappropriate, improper, unnecessary or excessive care, services or supplies from the person furnishing them, or the person under whose supervision they were furnished, or the person causing them to be furnished...."

*18 NYCRR Section 518.3(b)*

Regulations state: "Medical care, services or supplies ordered or prescribed will be considered excessive or not medically necessary unless the medical basis and specific need for them are fully and properly documented in the client's medical record."

*18 NYCRR Section 518.3(b)*

## AUDIT FINDINGS

The audit report incorporates consideration of any additional documentation and information presented in response to the Draft Audit Report dated June 16, 2015. Since you did not respond to the Draft Audit Report, the findings remain the same.

### OUTPATIENT CLINIC/ER AUDIT FINDINGS DETAIL

The OMIG's review of Medicaid claims paid to the Provider from January 1, 2006, through December 31, 2008, identified 3 claims with at least one error, for a total sample overpayment of \$309.88 (Attachment C-0287).

#### 1. Missing Documentation of Service

Regulations require that the Medicaid provider agrees, "to prepare and to maintain contemporaneous records demonstrating its right to receive payment under the medical assistance program and to keep for a period of six years . . . all records necessary to disclose the nature and extent of services furnished. . . ." *18 NYCRR Section 504.3(a)*

Regulations also require that bills for medical care, services and supplies contain a certification that such records as are necessary to disclose fully the services provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years. These records must be furnished to the Department upon request.

*18 NYCRR Section 540.7(a)(8) and Section 517.3*

Regulations also require: "An accurate, clear, and comprehensive medical record shall be maintained for every person evaluated or treated as an inpatient, ambulatory patient, emergency patient or outpatient of the hospital." *10 NYCRR Section 405.10*

Medicaid policy states: "Adequate documentation of services provided must be recorded in the Medicaid-eligible patient's chart. If, during an audit, the individual's chart supporting payment for services cannot be produced or does not substantiate payment, the full amount paid for visits by that Medicaid-eligible patient will be recouped by the State."

*NYS Medicaid Program Policy Guidelines Manual for Article 28 Certified Clinics  
Version 2007-2, Section I*

Medicaid policy states that providers must meet record-keeping requirements outlined in the regulations of the Department of Health.

*MMIS Provider Manual for Clinic, Version April 2004, Section 2.1.12  
NYS Medicaid Program Policy Guidelines Manual for Article 28 Certified Clinics  
Version 2007-1, Section I*

In 3 instances pertaining to 3 patients, the services were not documented. The chart was missing. This finding applies to Sample #'s 150, 183 and 189.

**ORDERED AMBULATORY - OTHER THAN LABORATORY  
AUDIT FINDINGS DETAIL**

The OMIG's review of Medicaid claims paid to the Provider from January 1, 2006, through December 31, 2008, identified 23 claims with at least one error, for a total sample overpayment of \$1,221.28 (Attachment C-0282).

**1. No Written Order**

Medicaid policy states: "Ordered ambulatory services must be ordered in writing by the recipient's attending physician, nurse practitioner, physician's assistant, dentist or podiatrist who is providing direct patient care services."

*MMIS Provider Manual for Hospital Based Ordered Ambulatory  
Version July 2002, Section 2.2F*

Regulations require that all practitioners' diagnostic and therapeutic orders be documented in the patient's medical record. *10 NYCRR Section 405.10(b)(2)(vi)*

In 18 instances pertaining to 18 patients, there was no written order for the service billed. This finding applies to Sample #'s 5, 10, 11, 36, 40, 44, 50, 57, 65, 72, 74, 86, 89, 92, 93, 96, 97 and 100.

**2. Ordered Ambulatory Service Billed for Article 28 Facility Patient**

Regulations state: "The physical appearance of an outpatient at a hospital complex is recognized as contributing one visit regardless of the number of diagnostic and/or therapeutic services the patient receives or the number of sections (clinics), operating rooms, laboratories and treatment areas in which he/she receives them. The classification of the visit (i.e., emergency, clinic, etc.) will be determined by the first location where service is rendered." *10 NYCRR Section 441.339*

Regulations further state that payments to hospitals are based on ". . . all-inclusive prospective rates for inpatient services, emergency services, clinic services and such other services for which a separate rate is deemed appropriate by the commissioner." *10 NYCRR Section 86-1.18(a)*

Medicaid policy states that at the time ordered ambulatory services are prescribed, the recipient may not be under the primary care/responsibility of the Article 28 facility where the service is to be performed; and/or the ordering practitioner may not be an employee of the Article 28 facility where the service is to be performed.

*MMIS Provider Manual for Clinic, Version April 2004, Section 2.2.1H  
NYS Medicaid Program Policy Guidelines Manual for Article 28 Certified Clinics  
Version 2007-2, Section II*

In 6 instances pertaining to 5 patients, ordered ambulatory services were incorrectly billed for patients who were under the care of the facility. This finding applies to Sample #'s 11, 39, 71, 75, 83 and 87.

**3. Missing Documentation of Service**

Regulations require that the Medicaid provider agrees, "to prepare and to maintain contemporaneous records demonstrating its right to receive payment under the medical assistance program and to keep for a period of six years . . . all records necessary to disclose the nature and extent of services furnished. . . ." *18 NYCRR Section 504.3(a)*

Regulations also require that bills for medical care, services and supplies contain a certification that such records as are necessary to disclose fully the services provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years. These records must be furnished to the Department upon request.

*18 NYCRR Section 540.7(a)(8) and Section 517.3*

In 3 instances pertaining to 3 patients, the services were not documented. This finding applies to Sample #'s 5, 74 and 86.

## PROVIDER RIGHTS

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below. If you decide to repay the lower confidence limit amount of \$451,100, one of the following repayment options must be selected within 20 days from the date of this letter:

**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:

  
New York State Department of Health  
Medicaid Financial Management  
GNARESP Corning Tower, Room 2739  
File #11-5845  
Albany, New York 12237

**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  


If you choose not to settle this audit through repayment of the lower confidence limit, you have the right to challenge these findings by requesting an administrative hearing where the OMIG would seek and defend the point estimate of \$1,790,288. As allowed by state regulations, you must make your request for a hearing, in writing, within sixty (60) days of the date of this report to:

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

Questions regarding the request for a hearing should be directed to Office of Counsel, at [REDACTED]

Issues you may raise shall be limited to those issues relating to determinations contained in the final audit report. Your hearing request may not address issues regarding the methodology used to determine the rate, or any issue that was raised at a proceeding to appeal a rate determination.

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; and
- c) cross examine witnesses of the Department of Health and/or the OMIG.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid Program, take action where appropriate, and recover monies owed through the initiation of a civil lawsuit or other legal mechanisms including but not limited to the recovery of state tax refunds pursuant to Section 206 of the Public Health Law and Section 171-f of the State Tax Law.

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

NAME AND ADDRESS OF AUDITEE

[REDACTED]

Beth Israel Medical Center  
555 West 57<sup>th</sup> Street. 18<sup>th</sup> Floor  
New York, NY 10019

PROVIDER ID # [REDACTED]

AUDIT #11-5845

AMOUNT DUE: \$451.100

AUDIT

TYPE

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]  
New York State Department of Health  
Medicaid Financial Management  
GNARESP Corning Tower, Room 2739  
File #11-5845  
Albany, New York 12237

*Thank you for your cooperation.*

## **SAMPLE DESIGN**

The sample design used for Audit #11-5845 was as follows:

- Universe - Medicaid claims for Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory services paid during the period January 1, 2006, through December 31, 2008.
- Sampling Frame - The sampling frame for this objective is the Medicaid electronic database of paid Provider claims for Outpatient Clinic/ER and Ordered Ambulatory – Other Than Laboratory services paid during the period January 1, 2006, through December 31, 2008.
- Sample Unit - The sample unit is a Medicaid claim paid during the period January 1, 2006, through December 31, 2008.
- Sample Design – Simple sampling was used for sample selection.
- Sample Size – There are 2 samples totaling 200 services (100 Outpatient Clinic/ER services and 100 Ordered Ambulatory – Other Than Laboratory services).

## SAMPLE RESULTS AND ESTIMATES

	Outpatient Clinic/ER Services <u>(0287)</u>	Ordered Ambulatory - Other Than Laboratory Services <u>(0282)</u>	<u>Totals</u>
<b><u>Audit Statistics</u></b>			
Universe Size	279,368	75,706	
Sample Size	100	100	
Sample Value	\$ 12,622.82	\$ 5,510.01	
Sample Overpayments	\$ 309.88	\$ 1,221.28	<u>\$ 1,531.16</u>
Confidence Level	90%	90%	
<b><u>Extrapolation of Sample Findings</u></b>			
Sample Overpayments	\$ 309.88	\$ 1,221.28	
Sample Size	100	100	
Mean Dollars in Error for Extrapolation Purposes	\$ 3.0988	\$ 12.2128	
Universe Size	279,368	75,706	
Point Estimate of Total Dollars	\$ 865,706	\$ 924,582	<u>\$ 1,790,288</u>
Lower Confidence Limit	\$ 44,225	\$ 406,875	<u>\$ 451,100</u>

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
BETH ISRAEL MEDICAL CENTER  
REVIEW OF HOSPITAL OUTPATIENT DEPARTMENT SERVICES  
PROJECT NUMBER: 11-5845  
REVIEW PERIOD: 1/1/2006 - 12/31/2008

Sample Number	Date of Service	Procedure Code		Amount		Overpayment	DETAILED AUDIT FINDINGS		
		Billed	Derived	Paid	Derived		1. No Written Order	2. Ordered Ambulatory Service Billed for Article 28 Facility Patient	3. Missing Documentation of Service
1	09/14/06	76092	76092	\$ 11.90	\$ 11.90	\$ -			
2	10/03/05	78478	78478	59.22	59.22	-			
3	08/05/08	97530	97530	12.15	12.15	-			
4	07/05/07	71020	71020	8.00	8.00	-			
5	04/19/07	78457	-	64.09	-	64.09	X		X
6	08/07/08	A9503	A9503	2.12	2.12	-			
7	01/16/08	76885	76885	18.00	18.00	-			
8	05/28/08	97530	97530	6.30	6.30	-			
9	11/03/08	73030	73030	8.00	8.00	-			
10	02/06/08	93325	-	34.56	-	34.56	X		
11	09/25/08	93005	-	7.50	-	7.50	X	X	
12	02/13/08	77413	77413	26.93	26.93	-			
13	08/02/07	77080	77080	33.70	33.70	-			
14	12/13/07	78478	78478	10.20	10.20	-			
15	01/28/08	97530	97530	14.92	14.92	-			
16	07/28/06	76075	76075	16.33	16.33	-			
17	10/16/08	72194	72194	135.18	135.18	-			
18	04/14/06	93005	93005	5.35	5.35	-			
19	01/10/06	76946	76946	7.20	7.20	-			
20	04/24/08	76645	76645	25.68	25.68	-			
21	01/17/06	76770	76770	83.94	83.94	-			
22	06/25/07	72069	72069	8.00	8.00	-			
23	07/19/06	77412	77412	37.22	37.22	-			
24	12/26/06	77413	77413	27.59	27.59	-			
25	12/19/06	73718	73718	300.00	300.00	-			

OFFICE OF THE MEDICAID INSPECTOR GENERAL  
BETH ISRAEL MEDICAL CENTER  
REVIEW OF HOSPITAL OUTPATIENT DEPARTMENT SERVICES  
PROJECT NUMBER: 11-5845  
REVIEW PERIOD: 1/1/2006 - 12/31/2008

Sample Number	Date of Service	Procedure Code		Amount		Overpayment	DETAILED AUDIT FINDINGS 1. No Written Order 2. Ordered Ambulatory Service Billed for Article 28 Facility Patient 3. Missing Documentation of Service		
		Billed	Derived	Paid	Derived				
26	01/12/06	96410	96410	\$ 18.51	\$ 18.51	\$ -			
27	11/08/08	G0202	G0202	25.99	25.99	-			
28	09/05/07	77414	77414	32.91	32.91	-			
29	09/11/07	77057	77057	24.62	24.62	-			
30	06/29/07	71020	71020	8.00	8.00	-			
31	10/14/08	72100	72100	17.27	17.27	-			
32	08/11/08	93320	93320	31.32	31.32	-			
33	10/11/05	76075	76075	59.00	59.00	-			
34	11/28/05	97530	97530	22.49	22.49	-			
35	04/19/07	77418	77418	79.67	79.67	-			
36	06/27/07	73030	-	10.47	-	10.47	X		
37	08/06/07	96413	96413	42.21	42.21	-			
38	08/16/07	70553	70553	184.42	184.42	-			
39	02/02/07	93320	-	31.32	-	31.32		X	
40	08/21/06	97530	-	13.03	-	13.03	X		
41	04/23/07	97530	97530	2.35	2.35	-			
42	10/24/08	76377	76377	42.33	42.33	-			
43	01/11/07	77080	77080	60.00	60.00	-			
44	05/08/08	93731	-	10.35	-	10.35	X		
45	05/24/07	77413	77413	32.91	32.91	-			
46	07/12/06	96409	96409	36.98	36.98	-			
47	07/10/07	93017	93017	53.39	53.39	-			
48	09/09/08	77418	77418	83.00	83.00	-			
49	01/16/08	70551	70551	300.00	300.00	-			
50	01/04/06	73221	-	239.85	-	239.85	X		

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Sample Number	Date of Service	Procedure Code		Amount		Overpayment	DETAILED AUDIT FINDINGS 1. No Written Order 2. Ordered Ambulatory Service Billed for Article 28 Facility Patient 3. Missing Documentation of Service		
		Billed	Derived	Paid	Derived				
51	07/29/08	93005	93005	\$ 21.07	\$ 21.07	\$ -			
52	06/17/08	97530	97530	12.60	12.60	-			
53	05/20/08	97530	97530	15.75	15.75	-			
54	05/11/06	73080	73080	42.00	42.00	-			
55	08/01/08	77336	77336	27.11	27.11	-			
56	12/08/06	73650	73650	9.35	9.35	-			
57	02/11/08	93307	-	54.00	-	54.00	X		
58	07/12/06	71270	71270	151.40	151.40	-			
59	03/13/07	97530	97530	18.24	18.24	-			
60	09/24/08	97530	97530	12.60	12.60	-			
61	11/05/08	77080	77080	33.50	33.50	-			
62	09/12/06	76075	76075	19.66	19.66	-			
63	03/28/08	96413	96413	41.12	41.12	-			
64	11/01/05	97530	97530	13.24	13.24	-			
65	03/26/08	93005	-	7.50	-	7.50	X		
66	09/05/07	76536	76536	44.39	44.39	-			
67	11/06/08	77418	77418	82.00	82.00	-			
68	01/26/06	71020	71020	8.00	8.00	-			
69	04/13/07	90760	90760	6.58	6.58	-			
70	08/07/06	97530	97530	13.93	13.93	-			
71	04/19/06	93320	-	31.32	-	31.32		X	
72	01/02/07	78480	-	27.85	-	27.85	X		
73	09/09/06	71260	71260	123.38	123.38	-			
74	07/10/06	97530	-	19.55	-	19.55	X		X
75	08/30/06	93307	-	54.00	-	54.00		X	

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DETAILED AUDIT FINDINGS  
1. No Written Order  
2. Ordered Ambulatory Service Billed for Article 28 Facility Patient  
3. Missing Documentation of Service

Sample Number	Date of Service	Procedure Code		Amount		Overpayment	DETAILED AUDIT FINDINGS		
		Billed	Derived	Paid	Derived		1. No Written Order	2. Ordered Ambulatory Service Billed for Article 28 Facility Patient	3. Missing Documentation of Service
76	06/25/07	90774	90774	\$ 18.77	\$ 18.77	\$ -			
77	05/09/06	72148	72148	299.00	299.00	-			
78	01/12/07	71010	71010	5.00	5.00	-			
79	12/21/06	71010	71010	9.35	9.35	-			
80	03/02/06	77402	77402	28.18	28.18	-			
81	11/30/06	73721	73721	300.00	300.00	-			
82	10/01/07	74160	74160	101.00	101.00	-			
83	01/26/07	93307	-	54.00	-	54.00		X	
84	04/02/07	77413	77413	37.22	37.22	-			
85	04/30/08	77413	77413	37.22	37.22	-			
86	06/04/07	92567	-	5.11	-	5.11	X		X
87	05/15/06	93922	-	43.20	-	43.20		X	
88	12/18/06	77418	77418	74.98	74.98	-			
89	08/10/06	93743	-	7.95	-	7.95	X		
90	10/31/06	97530	97530	12.56	12.56	-			
91	05/08/06	74150	74150	88.66	88.66	-			
92	01/10/07	93325	-	92.00	-	92.00	X		
93	07/12/07	93350	-	87.13	-	87.13	X		
94	06/05/06	77418	77418	81.76	81.76	-			
95	03/07/08	77336	77336	24.08	24.08	-			
96	03/13/07	73630	-	7.50	-	7.50	X		
97	01/03/07	72141	-	299.00	-	299.00	X		
98	04/12/06	77417	77417	24.92	24.92	-			
99	09/20/07	77295	77295	434.81	434.81	-			
100	08/02/07	93732	-	20.00	-	20.00	X		
<b>Totals</b>				<b>\$ 5,510.01</b>	<b>\$ 4,288.73</b>	<b>\$ 1,221.28</b>	<b>18</b>	<b>6</b>	<b>3</b>

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DETAILED AUDIT FINDINGS  
1. Missing Documentation of Service

Sample Number	Date of Service	Rate Code		Amount		Overpayment		
		Billed	Derived	Paid	Derived			
101	03/17/06	2870	2870	\$ 32.20	\$ 32.20	\$ -		
102	07/06/06	2870	2870	100.93	100.93	-		
103	08/26/06	2910	2910	147.00	147.00	-		
104	11/21/06	2870	2870	103.93	103.93	-		
105	12/28/06	2870	2870	103.93	103.93	-		
106	06/12/08	2870	2870	17.11	17.11	-		
107	04/27/06	2870	2870	103.93	103.93	-		
108	10/07/08	2870	2870	105.90	105.90	-		
109	02/28/08	2910	2910	147.00	147.00	-		
110	10/10/08	2870	2870	17.11	17.11	-		
111	04/03/08	2910	2910	147.00	147.00	-		
112	04/29/08	2870	2870	32.82	32.82	-		
113	09/21/07	2879	2879	155.54	155.54	-		
114	03/29/06	2879	2879	161.84	161.84	-		
115	08/16/06	2870	2870	103.93	103.93	-		
116	05/25/08	2879	2879	175.48	175.48	-		
117	12/06/06	2870	2870	9.48	9.48	-		
118	12/26/06	2879	2879	128.95	128.95	-		
119	04/13/06	2870	2870	9.92	9.92	-		
120	10/22/07	2870	2870	11.52	11.52	-		
121	05/15/07	2870	2870	14.52	14.52	-		
122	05/11/06	2870	2870	103.93	103.93	-		
123	06/29/07	2910	2910	147.00	147.00	-		
124	10/17/08	2870	2870	102.90	102.90	-		
125	10/26/07	2870	2870	103.05	103.05	-		

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DETAILED AUDIT FINDINGS  
1. Missing Documentation of Service

Sample Number	Date of Service	Rate Code		Amount		Overpayment	
		Billed	Derived	Paid	Derived		
126	05/15/08	2870	2870	\$ 22.25	\$ 22.25	\$ -	
127	01/12/06	2870	2870	104.04	104.04	-	
128	12/16/06	2910	2910	150.00	150.00	-	
129	04/10/06	2870	2870	100.93	100.93	-	
130	10/18/07	2987	2987	300.19	300.19	-	
131	06/08/06	3038	3038	901.25	901.25	-	
132	01/31/05	2870	2870	111.48	111.48	-	
133	10/09/08	2870	2870	102.90	102.90	-	
134	02/02/06	2910	2910	147.00	147.00	-	
135	04/28/06	2870	2870	11.36	11.36	-	
136	12/27/06	2870	2870	100.93	100.93	-	
137	06/12/06	2870	2870	11.36	11.36	-	
138	09/02/06	2910	2910	147.00	147.00	-	
139	10/01/08	3107	3107	550.22	550.22	-	
140	12/05/05	2879	2879	23.63	23.63	-	
141	04/19/06	2870	2870	103.93	103.93	-	
142	02/01/08	2870	2870	19.46	19.46	-	
143	06/18/08	2870	2870	17.11	17.11	-	
144	02/26/07	2870	2870	104.64	104.64	-	
145	11/11/08	2910	2910	147.00	147.00	-	
146	05/02/07	2879	2879	155.54	155.54	-	
147	06/12/06	2870	2870	100.93	100.93	-	
148	07/03/07	2870	2870	11.52	11.52	-	
149	08/07/07	2870	2870	17.14	17.14	-	
150	07/23/08	2870	-	105.90	-	105.90	X

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DETAILED AUDIT FINDINGS  
1. Missing Documentation of Service

Sample Number	Date of Service	Rate Code		Amount		Overpayment		
		Billed	Derived	Paid	Derived			
151	06/04/07	2870	2870	\$ 103.05	\$ 103.05	\$ -		
152	02/08/08	2879	2879	145.13	145.13	-		
153	11/03/06	2870	2870	17.89	17.89	-		
154	01/19/07	2870	2870	14.52	14.52	-		
155	05/02/06	2870	2870	9.48	9.48	-		
156	01/10/08	2870	2870	106.73	106.73	-		
157	01/23/08	2870	2870	103.73	103.73	-		
158	02/22/06	2879	2879	128.95	128.95	-		
159	04/02/07	2870	2870	100.05	100.05	-		
160	01/16/07	3018	3018	643.49	643.49	-		
161	03/03/08	2870	2870	13.22	13.22	-		
162	09/24/08	2870	2870	105.90	105.90	-		
163	01/26/06	2910	2910	147.00	147.00	-		
164	10/25/06	2870	2870	100.93	100.93	-		
165	08/27/08	2870	2870	12.15	12.15	-		
166	11/30/07	2870	2870	11.52	11.52	-		
167	10/14/06	2879	2879	128.95	128.95	-		
168	04/11/07	2910	2910	147.00	147.00	-		
169	03/12/07	2879	2879	155.54	155.54	-		
170	03/14/06	2879	2879	128.95	128.95	-		
171	08/25/06	2870	2870	17.89	17.89	-		
172	12/16/05	2870	2870	13.40	13.40	-		
173	11/06/08	2870	2870	12.15	12.15	-		
174	01/18/07	2870	2870	40.10	40.10	-		
175	01/28/08	2870	2870	12.15	12.15	-		

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DETAILED AUDIT FINDINGS  
1. Missing Documentation of Service

Sample Number	Date of Service	Rate Code		Amount		Overpayment	
		Billed	Derived	Paid	Derived		
176	12/01/07	3107	3107	\$ 580.59	\$ 580.59	\$ -	
177	11/01/04	3107	3107	579.53	579.53	-	
178	03/18/08	2870	2870	103.73	103.73	-	
179	09/19/07	2941	2941	43.60	43.60	-	
180	01/30/07	2870	2870	11.52	11.52	-	
181	12/13/06	2870	2870	103.93	103.93	-	
182	09/01/07	3107	3107	504.04	504.04	-	
183	04/06/06	2870	-	100.93	-	100.93	X
184	01/19/06	2870	2870	9.48	9.48	-	
185	07/05/06	2910	2910	147.00	147.00	-	
186	07/13/06	2879	2879	22.30	22.30	-	
187	03/01/06	2870	2870	104.04	104.04	-	
188	04/30/07	2870	2870	11.52	11.52	-	
189	09/27/07	2870	-	103.05	-	103.05	X
190	11/17/08	3018	3018	643.49	643.49	-	
191	11/29/06	2870	2870	100.93	100.93	-	
192	06/20/06	2870	2870	11.36	11.36	-	
193	08/01/08	2942	2942	147.71	147.71	-	
194	12/08/07	2879	2879	155.54	155.54	-	
195	09/24/08	2870	2870	105.90	105.90	-	
196	01/01/05	3107	3107	480.91	480.91	-	
197	11/22/06	2870	2870	9.48	9.48	-	
198	07/13/07	2870	2870	100.05	100.05	-	
199	04/09/07	2879	2879	155.54	155.54	-	
200	04/25/08	2870	2870	12.15	12.15	-	

Totals \$ 12,622.82 \$ 12,312.94 \$ 309.88 3