



STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
584 Delaware Avenue
Buffalo, New York 14202

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

September 24, 2013

[REDACTED]
M B Ahmed Drug Corp.
7419 Roosevelt Ave.
Jackson Heights, NY 11372

Final Audit Report

Audit #09-6833

Provider ID [REDACTED]

Dear [REDACTED]:

This letter will serve as our final audit report of the recently completed review of payments made to M B Ahmed Drug Corp. under the New York State Medicaid Program.

The New York State Department of Health is responsible for the administration of the Medicaid program. As part of this responsibility, the Office of the Medicaid Inspector General (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 by the Departments of Health and Education [Titles 8, 10, and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (8 NYCRR, 10 NYCRR, 18 NYCRR)] and the Medicaid Management Information System (MMIS) Provider Manuals.

Pharmacy is a professional practice, which includes a number of activities that are necessary for the provision of drugs for patients as ordered by persons authorized under State law to prescribe drugs. Pharmacies, which are licensed and currently registered by the New York State Board of Pharmacy, Department of Education, may dispense drugs and other medical/surgical supplies. The pharmacy must comply with all applicable provisions of State Law including Article 137 of the Education Law, Articles 1 and 33 of the Public Health Law, and the Pharmacy Guide to Practice (Pharmacy Handbook) issued by the Department of Education. The specific standards and criteria for pharmacies are outlined in Title 10 NYCRR Parts 80 and 85.20-22 and Title 18 NYCRR Section 505.3. The MMIS Provider Manual for Pharmacy also provides program guidance for claiming Medicaid reimbursement for pharmacy services.

A review of payments to M B Ahmed Drug Corp. for pharmacy services paid by Medicaid for New York City recipients from January 1, 2004, through December 31, 2008, was recently completed. During the audit period, \$9,186,641.16 was paid for 179,738 services rendered. This review consisted of a random sample of 200 services with Medicaid payments of \$9,311.10. The purpose of this audit was to verify that: prescriptions were properly ordered by a qualified practitioner; the pharmacy had sufficient documentation to substantiate billed services; appropriate formulary codes were billed; patient related records contained the documentation required by the regulations; and claims for payment were submitted in accordance with New York State laws, Department regulations and the Provider Manuals for Pharmacy.

M B Ahmed Drug Corp.'s failure to comply with Titles 8, 10 and/or 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (NYCRR), the MMIS Provider Manual for Pharmacy, and the Pharmacy Guide to Practice resulted in a total sample overpayment of \$705.48.

The statistical sampling methodology employed allows for extrapolation of the sample findings to the universe of services (18 NYCRR Section 519.18). The adjusted mean per unit point estimate of the amount overpaid is \$369,799. The adjusted lower confidence limit of the amount overpaid is \$68,403. We are 95% certain that the actual amount of the overpayment is greater than the adjusted lower confidence limit (Exhibit I). This audit may be settled through repayment of the adjusted lower confidence limit amount of \$68,403.

The following detailed findings reflect the results of our audit. This audit report incorporates consideration of any additional documentation and information presented in response to the draft audit report dated May 9, 2013. The information provided resulted in no change to any of the disallowances. The findings in the final audit report are identical to those in the draft audit report.

DETAILED FINDINGS

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)

1. Ordering Prescriber Conflicts with Claim Prescriber

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

18 NYCRR Sections 504.3(f) and (h)

Medicaid policy requires the billing provider to complete the ordering/prescribing provider section of the claim for prescriptions from private practitioners by entering the "MMIS ID Number of the prescriber. If the prescriber is not enrolled in MMIS, enter his/her State License number . . . For orders originating in a hospital, clinic or other health care facility, the facility's MMIS ID Number may be entered only when the prescriber's MMIS ID or State License number is unavailable. When a prescription is written by an unlicensed intern or resident, the supervising physician's MMIS ID Number should be entered. If the supervising physician is not enrolled in MMIS, his/her State License number may be entered. When these numbers are unavailable, enter the facility's MMIS ID Number . . . When prescriptions have been written by a physician's assistant, the supervising physician's MMIS ID Number should be entered. If the supervisor is not enrolled in MMIS, enter his/her State License number. If these numbers are unavailable and the prescription originated in a facility, enter the facility's MMIS ID Number . . . If

the MMIS ID or State License number is not on the prescription . . . it is the pharmacist's responsibility to obtain it."

MMIS Provider Manual for Pharmacy Version 2004-1, Section 3

Medicaid policy requires the billing provider to enter the Medicaid ID Number of the ordering/prescribing provider or, if the ordering prescriber is not enrolled in the Medicaid Program, to enter his/her license number. The supervising MD's MMIS or license number should be entered for an unlicensed intern or resident for a prescription from a facility, and the facility's Medicaid ID number may be entered **only** when the prescriber's or supervising physician's Medicaid ID or License number is unavailable. When prescriptions have been written by a Physician's Assistant, the supervising physician's Medicaid ID number or license number should be entered. [There is no provision here for entering facility MMIS ID number in absence of the supervising MD number for a prescription written by a Physician's Assistant.] If the prescribing provider is a Nurse Practitioner certified to write prescriptions, enter his/her Medicaid ID number or license number in this field. **Note: If the Medicaid ID or State License number of an authorized prescriber is not on the prescription, it is the pharmacist's responsibility to obtain it.**

In addition, if a license number is indicated, the Profession Code that identifies the ordering/prescribing provider's profession must be entered. Directions are given to obtain profession codes.

NYS Medicaid Program Pharmacy Manual Billing Guidelines Version 2005-1, Section II

NYS Medicaid Program Pharmacy Manual Billing Guidelines Version 2007-1, Section II

NYS Medicaid Program Pharmacy Manual Billing Guidelines Version 2008-1, Section II

Medicaid policy requires the billing provider to enter the Medicaid ID Number **or** the NPI of the ordering/prescribing provider. If the NPI is not known and the orderer/prescriber is not enrolled in the Medicaid program, enter his/her License number. If a license number is indicated, the Profession Code that identifies the ordering/prescribing provider's profession must be entered. For orders originating in a hospital, clinic, or other health care facility, the following rules apply: When a prescription is written by an unlicensed intern or resident, the supervising physician's Medicaid ID number, NPI or license number should be entered in this field. When prescriptions have been written by a Physician's Assistant, the supervising physician's Medicaid ID number, NPI or license number should be entered in this field. Certified Nurse Practitioners with licenses that contain six digits not preceded by the letter F can only write fiscal orders. If the prescribing provider is a Nurse Practitioner certified to write prescriptions, enter his/her Medicaid ID number, NPI or license number in this field. **Note: If the Medicaid ID, NPI or State License number of an authorized prescriber is not on the prescription, it is the pharmacist's responsibility to obtain it.**

NYS Medicaid Program Pharmacy Manual Billing Guidelines Version 2008-2, Section II

NYS Medicaid program Pharmacy Manual Billing Guidelines Version 2008-3, Section II

The Medicaid Updates provide direction on identifying the ordering prescriber on the Medicaid claim.

DOH Medicaid Update March 2004

DOH Medicaid Update October 2004

DOH Medicaid Update September 2005

The Medicaid Update identifies the State Education Department's (SED) website to obtain or verify prescriber license numbers.

DOH Medicaid Update March 2000

The Medicaid Update states that it is inappropriate to use a facility's Medicaid identification number as the ordering/referring/prescribing provider.

DOH Medicaid Update January 2008

In 8 instances pertaining to 8 patients, the ordering prescriber conflicts with the claim prescriber. This resulted in a sample overpayment of \$294.33 (Exhibit II). For this category of findings, OMIG will disallow only the actual amount of the sample overpayment and will not extrapolate the sample findings to the universe of services.

2. Prescription/Fiscal Order Refilled More Than 180 Days After It Has Been Initiated By The Prescriber

Regulations state: "No written order for drugs may be refilled more than six months after the date of issuance. . . ." *18 NYCRR Section 505.3(d)(2)*

Medicaid policy states: "No prescription or fiscal order for a drug or supply may be refilled 180 days after it has been initiated by the prescriber."

NYS Medicaid Program Pharmacy Manual Policy Guidelines Version 2006-1, Section I

In 1 instance, a prescription or fiscal order was refilled more than 180 days after the date initiated by the prescriber. This resulted in a sample overpayment of \$153.79 (Exhibit III).

3. Pharmacy Billed for Different Drug Than Ordered

State law establishes: "Any person, who . . . substitutes or dispenses a different article for or in lieu of any article prescribed, ordered, or demanded, except where required pursuant to section sixty-eight hundred sixteen-a of this article . . . or otherwise deviates from the terms of the prescription, order or demand by substituting one drug for another, except where required pursuant to section sixty-eight hundred sixteen-a of this article, is guilty of a misdemeanor."

Education Law Article 137 Section 6816.1.a

The Rules of the Board of Regents state that unprofessional conduct in the practice of pharmacy shall include "dispensing a written prescription which does not bear . . . the name, strength, if applicable, and the quantity of the drug prescribed; . . ."

8 NYCRR Section 29.7(a)(1)

The Rules of the Board of Regents state that unprofessional conduct in the practice of pharmacy shall also include "using or substituting without authorization one or more drugs in the place of the drug or drugs specified in a prescription."

8 NYCRR Section 29.7(a)(5)

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

18 NYCRR Sections 504.3(f) and (h)

Regulations state: "A practitioner may orally authorize a pharmacist to change information on an official New York State prescription form. This procedure shall not apply to the practitioner's signature, date the prescription was signed by the practitioner, drug name or name of the ultimate user..."

10 NYCRR Section 80.67(h)

Regulations state: "A practitioner may orally authorize a pharmacist to change information on a controlled substance prescription. This procedure shall not apply to the practitioner's signature, date the prescription was signed by the practitioner, drug name or name of the ultimate user..."

10 NYCRR Section 80.69(m)

Regulations state for Schedule II and certain other substances: "A practitioner may orally authorize a pharmacist to change information on an official New York State prescription form. This procedure shall not apply to the practitioner's signature, date the prescription was signed by the practitioner, drug name or name of the ultimate user. The pharmacist shall write the date he or she received the oral authorization on the back of the prescription, the reason for the change and his or her signature. The pharmacist shall also indicate the change on the face of the prescription and initial the change." *10 NYCRR Section 80.67(j)*

Regulations state for Schedule III, IV and V substances: "A practitioner may orally authorize a pharmacist to change information on a controlled substance prescription. This procedure shall not apply to the practitioner's signature date the prescription was signed by the practitioner, drug name or name of the ultimate user. The pharmacist shall write the date he or she received the oral authorization on the back of the prescription, reason for the change and his or her signature. The pharmacist shall also indicate the change on the face of the prescription and initial the change." *10 NYCRR Section 80.69(k)*

In 4 instances pertaining to 4 patients, the pharmacy billed for a drug different than the drug ordered. This resulted in a sample overpayment of \$107.69 (Exhibit IV).

4. **Non-Controlled Prescription/Fiscal Order Filled More Than 60 Days After It Has Been Initiated by the Prescriber or Controlled Prescription Filled More Than 30 Days After the Date Such Prescription Was Signed by the Authorized Practitioner**

Regulations state that: "Except as provided in sections 80.67 and 80.73 of the Part, a licensed, registered pharmacist, or a pharmacy intern acting in conformity with the provisions of section 6808 of the Education Law and regulations thereunder, in a registered pharmacy may, in good faith and in the course of his professional practice, dispense to an ultimate user, controlled substances in schedule III, IV or V upon delivery of such pharmacist of a written prescription within 30 days of the date such prescription was signed by an authorized practitioner." *10 NYCRR Section 80.74(a)*

Regulations state that: "A licensed, registered pharmacist, or a pharmacy intern acting in conformity with the provisions of section 6806 of the Education Law and regulations thereunder in a registered pharmacy, may, in good faith and in the course of his professional practice, sell and dispense to an ultimate user controlled substances, provided they are dispensed pursuant to an official New York State prescription, or a written prescription, presented within 30 days of the date such prescription was signed by the authorized practitioner or an oral prescription where permitted." *10 NYCRR Section 80.73(a)*

Medicaid policy states: "A pharmacist may not fill an original prescription or fiscal order more than 14 days after it has been initiated by the prescriber." However, an October 21, 1998 Department of Health letter to pharmacy providers states that the MMIS Manual will be updated to read that a pharmacist may not fill an original prescription or fiscal order more than 60 days after it has been initiated by the provider.

MMIS Provider Manual for Pharmacy Version 2004-1, Section 2.2.4

In 1 instance, a non-controlled prescription or fiscal order was filled more than 60 days after it was initiated by the prescriber. This resulted in a sample overpayment of \$101.75 (Exhibit V).

5. Missing Prescription

Regulations state: "Drugs may be obtained only upon the written order of a practitioner, except for telephone and electronic orders for drugs filled in compliance with this section and 10 NYCRR Part 910."
18 NYCRR Section 505.3(b)(1)

Regulations state: "When used in the context of an order for a prescription drug, the order must also meet the requirements for a prescription under section 6810 of the Education Law and 10 NYCRR Part 910."
18 NYCRR Section 505.3(b)(3)

Regulations also state: "A pharmacy must keep on file the signed written order of the practitioner for audit by the department, or other authorized agency, for six years from the date of payment for any drug dispensed."
18 NYCRR Section 505.3(c)

Regulations state: "All providers, who are not paid at rates or fees approved by the State Director of the Division of the Budget based upon their allowable costs of operation but who are paid in accordance with the rates, fees and schedules established by the department, must prepare and maintain contemporaneous records demonstrating their right to receive payment under the medical assistance program. All records necessary to disclose the nature and extent of services furnished and the medical necessity therefor, including any prescription or fiscal order for the service or supply, 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."
18 NYCRR Section 517.3(b)(1)

Regulations state: "Written order or fiscal order are terms which are used interchangeably in this section and refer to any original, signed written order of a practitioner including any faxed transmitted order which requests a pharmacy to provide a drug to a medical assistance recipient. All written orders and fiscal orders shall comply with the provisions of Section 21 of the Public Health Law and regulations promulgated thereunder or contained in this section including but not limited to requirements for prescribing brand necessary drugs."
18 NYCRR Section 505.3(a)(6)

In 2 instances pertaining to 2 patients, an original prescription was missing. This resulted in a sample overpayment of \$30.49 (Exhibit VI).

6. Pharmacy Billed in Excess of Prescribed Quantity

State law establishes: "Any person, who . . . puts up a greater or lesser quantity of any ingredient specified in any such prescription, order or demand than that prescribed, ordered or demanded, except where required pursuant to paragraph (g) of subdivision two of section three hundred sixty-five-a of the social services law . . . is guilty of a misdemeanor."
Education Law Article 137 Section 6816.1.a

Regulations state: "By enrolling the provider agrees . . . 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" and "that the information provided in relation to any claim for payment shall be true, accurate and complete."
18 NYCRR Sections 504.3(f) and (h)

Medicaid policy states: "Prescribed quantities for legend drugs shall be dispensed in the amount prescribed." "For non-prescription drugs and medical supplies, if the ordering practitioner requests a quantity that does not correspond to the pre-packaged unit, the pharmacist should supply the drug or medical supply in the pre-packaged quantity that most closely approximates the ordered amount."

MMIS Provider Manual for Pharmacy Version 2004-1, Section 2.2.4

In 1 instance, the pharmacy billed for a quantity that exceeded the prescribed quantity. This resulted in a sample overpayment of \$10.24 (Exhibit VII).

7. Pharmacy Billed for Different Strength than Ordered

State law establishes: "Any person, who . . . substitutes or dispenses a different article for or in lieu of any article prescribed, ordered, or demanded, except where required pursuant to section sixty-eight hundred sixteen-a of this article . . . or otherwise deviates from the terms of the prescription, order or demand by substituting one drug for another, except where required pursuant to section sixty-eight hundred sixteen-a of this article, is guilty of a misdemeanor."

Education Law Article 137 Section 6816.1.a

The Rules of the Board of Regents state that unprofessional conduct in the practice of pharmacy shall include: "Dispensing a written prescription which does not bear the name, address and age of the patient for whom it is intended; the date on which it was written; the name, strength, if applicable, and the quantity of the drug prescribed; directions for use, if applicable; and, the name, address, telephone number, profession and signature of the prescriber; provided that the pharmacist may record on the prescription the address and age of the patient, the strength and quantity of the drug prescribed, the directions for use and the prescriber's address, telephone number and profession if these are missing or unclear..."

8 NYCRR Section 29.7(a)(1)

The Rules of the Board of Regents state that unprofessional conduct in the practice of pharmacy shall include "using or substituting without authorization one or more drugs in the place of the drug or drugs specified in a prescription."

8 NYCRR Section 29.7(a)(5)

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

18 NYCRR Sections 504.3(f) and (h)

Regulations state, for Schedule II and certain other substances, that: "A practitioner may orally authorize a pharmacist to change information on an official New York State prescription form. This procedure shall not apply to the practitioner's signature, date the prescription was signed by the practitioner, drug name or name of the ultimate user. The pharmacist shall write the date he or she received the oral authorization on the prescription, the reason for the change and his or her signature. The pharmacist shall also indicate the change on the prescription and initial the change."

10 NYCRR Section 80.67(h)

Regulations state: "A practitioner may orally authorize a pharmacist to change information on a controlled substance prescription. This procedure shall not apply to the practitioner's signature, date the prescription was signed by the practitioner, drug name or name of the ultimate user. The pharmacist shall write the date he or she received the oral authorization on the prescription, reason for the change and his or her signature. The pharmacist shall also indicate the change on the prescription and initial the change."

10 NYCRR Section 80.69(m)

In 3 instances pertaining to 3 patients, the pharmacy billed for a different strength than ordered. This resulted in a sample overpayment of \$7.19 (Exhibit VIII).

Total sample overpayments for this audit amounted to \$705.48.

Additional reasons for disallowance exist regarding certain findings. These findings are identified in Exhibit IX.

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 adjusted lower confidence limit amount of \$68,403, 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, B.A.M.
 GNARESP Corning Tower, Room 2739
 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.

Furthermore, 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


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 recover payment and liquidate the adjusted lower confidence limit 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.

If you choose not to settle this audit through repayment of the adjusted lower confidence limit, you have the right to challenge these findings by requesting an administrative hearing where the OMIG would seek and defend the adjusted meanpoint estimate of \$369,799. 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, New York 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.

Should you have any questions, please contact [REDACTED]

Thank you for the cooperation and courtesy extended to our staff during this audit.

Sincerely,

[REDACTED]
Division of Medicaid Audit, Buffalo
Office of the Medicaid Inspector General

[REDACTED]
Enclosure
Ver-1.1
Fin-3/19/13

cc: [REDACTED]

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

NAME AND ADDRESS OF AUDITEE

MB Ahmed Drug Corp.
7419 Roosevelt Ave
Jackson Heights, N.Y. 11372

PROVIDER ID [REDACTED]

AUDIT #09-6833

AMOUNT DUE: \$68,403

AUDIT	<input checked="" type="checkbox"/> PROVIDER
	<input type="checkbox"/> RATE
	<input type="checkbox"/> PART B
TYPE	<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, B.A.M.
GNARESP Corning Tower, Room 2739
File #09-6833
Albany, New York 12237-0048

Thank you for your cooperation.

**M B AHMED DRUG CORP.
PHARMACY SERVICES AUDIT
AUDIT #09-6833
AUDIT PERIOD: 1/1/04 – 12/31/08**

EXTRAPOLATION OF SAMPLE FINDINGS

Total Sample Overpayments	\$ 705.48
Less Overpayments Not Projected*	<u>(294.33)</u>
Sample Overpayments for Extrapolation Purposes	\$ 411.15
Services in Sample	200
Overpayments Per Sampled Service	\$ 2.0558
Services in Universe	179,738
Meanpoint Estimate	\$ 369,505
Add Overpayments Not Projected*	<u>294</u>
Adjusted Meanpoint Estimate	<u>\$ 369,799</u>
Lower Confidence Limit	\$ 68,109
Add Overpayments Not Projected*	<u>294</u>
Adjusted Lower Confidence Limit	<u>\$ 68,403</u>

* The actual dollar disallowance for the "Ordering Prescriber Conflicts with Claim Prescriber" finding was subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The dollars associated with this finding were not used in the extrapolation.

M B AHMED DRUG CORP

MMIS # / NPI #: [REDACTED]

Audit #: 09-6833

Ordering Prescriber Conflicts with Claim Prescriber

Sample #	Date of Service	Formulary Code	Amount Disallowed
7	05/11/05	62107002732	\$0.95
45	08/28/06	51672403201	\$38.88
61	01/12/05	00168018131	\$3.11
65	07/26/08	49884059210	\$5.90
107	08/16/07	53489046705	\$46.18
120	04/22/04	49884060058	\$12.08
157	02/26/04	49884087301	\$79.74
176	08/10/05	00008084181	\$107.49
Total Services:	8		\$294.33

M B AHMED DRUG CORP

MMIS # / NPI #: [REDACTED]

Audit #: 09-6833

Prescription/Fiscal Order Refilled More than 180 Days After it Has Been Initiated by the Prescriber

Sample #	Date of Service	Formulary Code	Amount Disallowed
158	09/27/08	00186504031	\$153.79
Total Services:	<u>1</u>		<u>\$153.79</u>

M B AHMED DRUG CORP

MMIS # / NPI #: [REDACTED]

Audit #: 09-6833

Pharmacy Billed for Different Drug Than Ordered

Sample #	Date of Service	Formulary Code	Amount Disallowed
48	03/01/07	00006003144	\$80.19
56	03/02/05	00536342608	\$1.98
87	01/03/08	37000045504	\$20.55
88	11/07/06	37205039287	\$4.97
Total Services:	4		\$107.69

M B AHMED DRUG CORP

MMIS # / NPI #: [REDACTED]

Audit #: 09-6833

**Non-Controlled Prescription/Fiscal Order Filled More than 60 Days After it
Has Been Initiated by the Prescriber**

Sample #	Date of Service	Formulary Code	Amount Disallowed
174	08/28/04	00025152031	\$101.75
Total Services:	<u>1</u>		<u>\$101.75</u>

M B AHMED DRUG CORP

MMIS # / NPI #: [REDACTED]

Audit #: 09-6833

Missing Prescription

Sample #	Date of Service	Formulary Code	Amount Disallowed
81	01/13/04	50111045602	\$11.56
82	05/17/04	62175044601	\$18.93
Total Services:	2		\$30.49

M B AHMED DRUG CORP

MMIS # / NPI #: [REDACTED]

Audit #: 09-6833

Pharmacy Billed in Excess of Prescribed Quantity

Sample #	Date of Service	Formulary Code	Amount Disallowed
17	12/07/04	00591076060	\$10.24
Total Services:	1		\$10.24

M B AHMED DRUG CORP

MMIS # / NPI #: [REDACTED]

Audit #: 09-6833

Pharmacy Billed for Different Strength than Ordered

Sample #	Date of Service	Formulary Code	Amount Disallowed
22	08/02/06	37205039287	\$1.98
28	07/15/08	37205039287	\$3.23
168	12/11/08	37205039287	\$1.98
Total Services:	<u>3</u>		<u>\$7.19</u>

M B AHMED DRUG CORP
MMIS # / NPI #: [REDACTED]
Audit #: 09-6833

Additional Findings Pertaining to Sampled items

Sample #	Date of Service	Primary Finding	Other Findings Pertaining to Sampled Items
22	8/2/2006	Pharmacy Billed for Different Strength than Ordered	Ordering Prescriber Conflicts with Claim Prescriber
28	7/15/2008	Pharmacy Billed for Different Strength than Ordered	Ordering Prescriber Conflicts with Claim Prescriber