



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

**REVIEW OF INDEPENDENT HEALTH ASSOCIATION'S
INCARCERATION MATCH
DATES OF SERVICE FROM JANUARY 1, 2012
THROUGH DECEMBER 31, 2012**

FINAL AUDIT REPORT

**James C. Cox
Medicaid Inspector General
September 18, 2013**

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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

September 18, 2013

[REDACTED]
Independent Health Association
511 Farber Lakes Drive
Buffalo, NY 14221

Re: Final Audit Report
Audit # 13-2888
Provider # [REDACTED]

Dear [REDACTED]

The New York State Office of the Medicaid Inspector General (OMIG) has identified instances where Independent Health Association (Plan) received monthly Medicaid and/or Family Health Plus capitation payments for incarcerated enrollees during the period beginning January 1, 2012 and ending December 31, 2012. In accordance with Medicaid Managed Care and Family Health Plus/HIV Special Needs Plan Model Contract (Contract) and 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 the issues found during the OMIG's review.

BACKGROUND

The New York State Department of Health (the Department) is the state agency responsible for the administration of the Medicaid program. As part of its responsibility as an entity within the Department, the 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 in New York Public Health Law, New York Social Services Law, the regulations of the Department of Health (Titles 10 and 18 of the NYCRR), the regulations of the Office of Mental Health (Title 14 of the NYCRR) and the Department's Medicaid Provider Manuals, *Medicaid Update* publications, and the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

OBJECTIVE AND SCOPE

Audit Objective

The objective of this audit was to identify instances where the Plan received a capitation payment from Medicaid when the enrollee was incarcerated for the entire payment month. These cases were identified by a computerized match comparing Medicaid and Family Health Plus managed care enrolled recipients to information provided by the New York State Department of Correctional Services (DOCS) and Division of Criminal Justice Services (DCJS).

Audit Scope

The review included capitation payments made to the Plan during the period beginning January 1, 2012 and ending December 31, 2012.

FINDINGS

A Draft Audit Report was issued on June 13, 2013 identifying \$50,108.09 in overpaid capitation payments made to the Plan for incarcerated enrollees. In its July 12, 2013 response to the Draft Audit Report the Plan submitted documentation contesting a portion of the claims (Attachment I). Upon reviewing the documentation, the OMIG agreed to reduce the overpayments in the Draft Audit Report by \$9,649.25 (Attachment II). Based on this determination, the total amount of overpayment identified in this Final Audit Report as defined in 18 NYCRR 518.1 is \$40,458.84 (Attachment III). As stated in the Contract, specifically Section 3.6 (*Compensation – State Department of Health Right to Recover Premiums*) and, Appendix H, as well as 18 NYCRR Parts 517 and 518, the OMIG, on behalf of the Department, has a right to recover overpayments paid to the Plan for enrollees listed on the monthly roster who are later determined to be incarcerated for the entire applicable payment month. Subsequent to the issuance of the Draft Audit Report, the Plan submitted 107 claim voids in the amount of \$40,458.84 (Attachment IV). There is no balance due the New York State Department of Health.

PROVIDER RIGHTS

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

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid program, take action where appropriate, and recover any associated overpayments. If you have any questions regarding the above, please contact [REDACTED] or by email at [REDACTED]. Thank you for your cooperation.

Sincerely,

[REDACTED]

Division of Medicaid Audit
Office of the Medicaid Inspector General

Attachments: (4)
CERTIFIED MAIL # [REDACTED]
RETURN RECEIPT REQUESTED