



OMIG  
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## More Than \$1 Million in Improper Medicaid Payments at Bronx and LI Nursing Homes

### Providers to Repay NYS for Billing Cars Not Used to Transport Patients and Other Issues

Three nursing homes will reimburse New York State a combined total of \$1,069,348 because of overpayments disclosed in a series of audits conducted by the Office of the Medicaid Inspector General (OMIG). The facilities, located in the Bronx and Long Island, will repay the Medicaid program after having been cited for adding costs to the rates attached to the use of automobiles by administrators, unrelated to providing medical care.

- **Eastchester Rehabilitation and Health Care Center, LLC, in the Bronx** will repay \$478,068 to resolve problems based on errors relating to missing documentation, as well as miscalculations of rates and Medicaid reimbursement. OMIG auditors discovered issues with undocumented expenses related to both its skilled nursing and ventilator units. OMIG also found per diem rates that varied from those allowed by the state, as high as \$1.97 per patient per day for the skilled nursing facility, and \$4.85 per patient per day for the ventilator unit. Additionally, the facility charged Medicaid for the balance for outside laboratory, electrocardiogram, and radiology services for Medicare patients, when, in fact, the payments to the outside vendor represented income collected from Medicare that had to be paid to the outside vendor for the service provided. This facility also had claimed automobile expenses that were related to patient care but could not provide documentation to substantiate those costs.
- **Sands Point Center for Health and Rehabilitation in Port Washington (Long Island)** owes \$470,367, after OMIG's audit disclosed variances between mortgage expenses included in the rate and other expenses that could not be verified. Auditors also disallowed costs associated with luxury automobiles and other vehicles not related to patient care and instead determined that the

cars were for the personal use of members of the facility's management. Auto insurance payments associated with these vehicles, which were included in the facility's rates, were also appropriately disallowed.

- **Morris Park Nursing Home in the Bronx** owes \$120,913, after OMIG auditors found miscalculations of tax reimbursements. The facility was also unable to provide documentation or demonstrate the relationship to patient care of reported automobile expenses, so those were disallowed.

"A major part of OMIG's mission is to identify and recover Medicaid overpayments by conducting and coordinating ongoing audit activities," said Medicaid Inspector General James C. Cox. "We are completing audits such as these three on a daily basis on behalf of New York's taxpayers."

All three audits are posted on the OMIG Web site ([www.omig.ny.gov](http://www.omig.ny.gov)) under the Final Audit Report section (<http://www.omig.ny.gov/audit/final-audit-reports>).

These audits are part of OMIG's overall effort to fight fraud, waste, and abuse in the Medicaid program. In the first six months of 2013, OMIG identified more than \$100 million in Medicaid overpayments, according to preliminary audit, investigative and data match findings. From January 1 to June 30, 2013, findings totaled \$103 million; the previous high for six months was \$111 million. Actual cash recoveries also increased during the same period by 21.5 percent over the previous year to \$61.7 million, according to the same six-month preliminary audit, investigation, and data match numbers.

Cox added that the Bronx and Long Island audits, along with other successes counted in the six-month total, were achieved with fewer staff members and more efficient audit and investigation methods. "At the end of state fiscal year 2011-12, OMIG had 662 staff. As of the end of the last state fiscal year (2012-13), OMIG has 500 employees. We are doing more with less."

Audits such as those completed at these nursing homes are an important component in OMIG's overall effort to fight fraud and recover improper payments in the Medicaid program, according to Cox. "One of the Medicaid program's goals is to provide excellent health care at a cost that taxpayers can afford," he notes. "Our work helps to contain costs while improving health care access and quality for Medicaid consumers."

New Yorkers can assist the Office of the Medicaid Inspector General in

fighting fraud, waste, and abuse by reporting potentially suspicious behavior or incidents. OMIG encourages anyone who observes instances of potential Medicaid fraud, waste, or abuse to contact OMIG's fraud hotline at 1-877-87-FRAUD or visit the Web site at [www.omig.ny.gov](http://www.omig.ny.gov). Tips can be completely anonymous and OMIG investigates information from all calls.

### **#NYFightsFraud**

*Our mission is to enhance the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive, and wasteful practices in the Medicaid program and recovering improperly expended Medicaid funds while promoting high-quality patient care.*

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