STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
800 North Pearl Street
Albany, New York 12204

DAVID A. PATERSON
GOVERNOR

JAMES G. SHEEHAN
MEDICAID INSPECTOR GENERAL

June 10, 2009

Mr. Andrew Bracco
Sr. VP of Finance and Information Technology
Planned Parenthood Hudson-Peconic, Inc.
4 Skyline Drive
Hawthorne, NY 10532

Re: Family Planning Chargeback to
Managed Care Network Providers
Final Report
Audit # 09-1415
Provider # [redacted]

Dear Mr. Bracco:

The New York State Office of the Medicaid Inspector General (the "OMIG") performed an audit of Medicaid payments for family planning and reproductive health services paid to Planned Parenthood Hudson-Peconic (the "Provider") on behalf of Medicaid beneficiaries while they were enrolled in Community Choice Health Plan and Health Insurance Plan of New York (the "Plans") for the year ending December 31, 2004. In accordance with Section 517.6 of Title 18 of the Official Compilation of Codes, Rules, and Regulations of the State of New York, this report represents the final determination on issues found during the OMIG's review.

After reviewing the Provider's April 27, 2009 response to the OMIG's March 23, 2009 draft report, the findings in the final report remain unchanged to those cited in the draft report, with overpayments, inclusive of interest, of $15,723.91. A detailed explanation is included in the findings of the final report.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below.

OPTION #1: Make 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 attached Remittance Advice to:

Mr. Matthew J. Brady
New York State Department of Health
Medicaid Financial Management, B.A.M.
GNARESP Corning Tower, Room 1237
Albany, New York 12237-0016

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 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
Phone # (518) 474-5878
Fax # (518) 408-0593

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 the funds to the State, such adjustment will be applied against the amount owed.

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

If the Provider has any questions regarding the above, please contact Rhonda Dominy at (518) 486-5061 or email at rld10@omig.state.ny.us.

Sincerely,

Rhonda Dominy, Project Manager
Bureau of Managed Care Audit & Provider Review
Office of the Medicaid Inspector General
Division of Medicaid Audit

Enclosure

CERTIFIED MAIL # 7009 0080 0000 0373 0573
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE

Planned Parenthood Hudson-Peconic
4 Skyline Drive
Hawthorne, NY 10532

AMOUNT DUE: $ 15,723.91

PROVIDER # [redacted]

PROJECT # 09-1415

AUDIT TYPE	[X] PROVIDER [ ] RATE [ ] PART B [ ] OTHER: Managed Care

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 Project Number on your check.

4. Mail check to:

Mr. Matthew J. Brady
Medicaid Financial Management, B.A.M.
New York State Department of Health
GNARESP Corning Tower, Room 1237
Project # 09-1415
Albany, New York 12237-0016

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

DAVID A. PATERSON
GOVERNOR

JAMES G. SHEEHAN
MEDICAID INSPECTOR GENERAL

FINAL REPORT

PLANNED PARENTHOOD HUDSON-PECONIC
4 SKYLINE DRIVE
HAWTHORNE, NY 10532

FAMILY PLANNING CHARGEBACK TO MANAGED CARE NETWORK PROVIDERS
 # 09-1415

ISSUED JUNE 10, 2009

TABLE OF CONTENTS

BACKGROUND, PURPOSE AND SCOPE

The New York State Department of Health is responsible for the administration of the Medicaid program. As part of this responsibility, the Department's Office of the Medicaid Inspector General (the "OMIG") conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at ensuring provider compliance with the applicable laws, regulations, rules and policies of the Medicaid program as set forth by the Departments of Heath and Mental Hygiene [Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulation of the State of New York (10 NYCRR, 14 NYCRR, 18 NYCRR)] and the Medicaid Provider Manuals. The purpose of this audit was to ensure that the Provider was in compliance with 18 NYCRR §515.2 which addresses unacceptable practices under the medical assistance program and §540.6 that addresses recovery of third party reimbursement and repayment to the medical assistance program.

Federal Medicaid law prohibits any restrictions to access by Medicaid recipients for family planning services. Accordingly, the New York State Department of Health requires that all participating managed care organizations (MCO) assure individuals of childbearing age access to the full range of family planning and reproductive health services from any qualified provider that undertakes to provide such services to these individuals.

The following is pursuant to the terms of the Medicaid managed care contract signed between the MCO and the local district. If the MCO chooses to receive a monthly capitation payment for covered services, which includes family planning and reproductive health services, the MCO is subsequently responsible to reimburse their network providers for these services provided to the MCO Medicaid enrollees. For family planning and reproductive health services delivered by non-network providers of the MCO, it is the responsibility of the MCO to reimburse Medicaid for those payments that Medicaid disbursed directly to a non-network provider.

FINDINGS

During the course of the OMIG's family planning and reproductive health services claim review with Community Choice Health Plan, Inc and Health Insurance Plan of New York (the "Plans") the OMIG received contractual documents from the Plans that verified Planned Parenthood Hudson-Peconic (the "Provider") had participating provider agreements with the Plans to provide services to their enrollees for the year ending December 31, 2004 (Exhibit IA and IB). As a result of these contractual arrangements, the Plans, and not Medicaid, are responsible to reimburse the Provider for the family planning and reproductive health services provided to the Plan's enrollees during this time period.

The OMIG has reviewed your April 23, 2009 response (Exhibit IV) to the OMIG's March 23, 2009 draft report. In the Provider's response it was indicated: 1) the belief in the unfairness of requesting repayment or documentation "four to five years after the fact"; 2) the inaccuracy of the Electronic Medicaid Eligibility Verification System (EMEVS) system in verifying that clients are enrolled in managed care plan, and 3) questioning why Medicaid would pay the fee for service claim if client was a managed care member. First, in accordance with §517.3 of Title 18 of the Official Compilation of Codes, Rules, and Regulation of the State of New York which state "all records necessary to disclose the nature and extent of services furnished 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." Second, the OMIG reviewed the EMEVS responses given to the Provider at the time of service and all responses identified the client as "eligible

PCP", which indicates the recipient is in Medicaid Managed Care and included additional information identifying the plan to which the recipient was enrolled, therefore no inaccurate information was provided for the claims listed in this report. Third, in accordance with the Managed Care Model Contract between New York State Department of Health and the Managed Care Organization, Appendix C, Section I, Part 2a, "Free Access to Services for MMC Enrollees", a member is allowed to receive Family Planning services outside the network and to have the claim paid at the applicable Medicaid rate or fee. Due to the Free Access policy, Medicaid would pay the Family Planning and Reproductive Health Services, interpreting the claim to be from an "out of network" provider, since a network provider should not be billing Medicaid for these services, but instead bill the plan. It is the Provider's responsibility at the point of service to interpret via EMEVS if the recipient is enrolled in Medicaid Managed Care, and then to proceed with billing as appropriate, based on any contractual agreement they have with the Plan.

The audit found that the Provider inappropriately billed Medicaid $12,173.63 for family planning and reproductive health services that were rendered to the Plan's enrollees for the year ending December 31, 2004 (Exhibit II) a period the Provider had a participating provider contractual agreement with the Plan. As a result §515.2 and §540.6 requirements were violated.

In accordance with 18 NYCRR Section 518.4, interest may be collected and will accrue at the current rate from the date of the overpayment. For the overpayments identified in Exhibit II, the OMIG has determined that accrued interest of $3,550.28 is owed.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR §518.1 is $15,723.91, inclusive of interest (Exhibit II). Repayment of $15,723.91 is due the New York State Department of Health.