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MEMORANDUM

TO: RHCF Members

FROM: Patrick Cucinelli, Senior Financial Policy Analyst

DATE: September 23, 2009

SUBJECT: **OMIG Resident Account Audits**

ROUTE TO: Administrator, CFO, Corporate Compliance

ABSTRACT: OMIG to conduct pilot audits on resident accounts.

Introduction

As members are aware, the [Office of Medicaid Inspector General \(OMIG\)](#) is conducting a variety of different audits of Medicaid providers. NYAHSA has learned that OMIG intends to pilot an audit directed towards resident accounts. The OMIG's 2009-10 [work plan](#) includes the following section:

“NAMI Project

A patient's net available monthly income (NAMI) equals his or her income which is available to offset the cost of care after all deductions. The OMIG will inspect the nursing home's admission and patient account records to assure that NAMI was properly reported and offset to per diem Medicaid rates. We will select a few nursing homes covered by the White Plains region and conduct reviews on a sample basis. If substantial findings exist, we will convert this into a statewide computer match project.”

Audit Details

At this time, our understanding is that the audit will be limited in terms of the number of facilities selected during the initial phase. However, the project is slated to run for two years and would likely expand to a large number of facilities.

The audit scope will apparently go beyond what was stated in the OMIG work plan and focus on the following areas:

- NAMI collections (similar to the DOH NAMI audits from 2002);
- Double-billing, including duplicate Medicaid payments and overlapping payments with Medicare and other third party payers; and
- Any other issues identified on audit.

The contractor for the project is Health Management Services (HMS) of Connecticut. There will be ten facilities in the initial test sample, which will be used to further refine the process. It is unclear at this time exactly when the audits will commence, but the selected facilities will receive a copy of the attached letter from OMIG. OMIG has not specified the selection criteria for the test facilities.

In NYAHSA's discussions with HMS, they have indicated a willingness to work with facilities in order to make the process as smooth as possible, including accommodating any reasonable deadline extension requests.

Again, a copy of the draft letter that selected facilities will receive is attached. The letter details the data collection requirements for the audit. This should help provide members with a sense of the direction which the audit will take. With this information in hand facilities can anticipate what areas they need to review internally and ensure that all the necessary policies and procedures are being followed. NYAHSA also recommends that members review their corporate compliance plans to ensure that they cover the area of resident accounts and NAMI processing.

Conclusion

This is another audit to add to the already long list of reviews requiring members to commit time, effort and resources. NYAHSA is seriously concerned with the negative impact of this constantly expanding scope and intensity of audit activity. This concern is a critical piece of our current advocacy efforts, as is the fairness of audit procedures. NYAHSA and its general counsel are currently working with a coalition of statewide associations on various approaches to address the increasing audit activity.

As members may recall from the previous NAMI audits, NYAHSA took serious issue with the fact that the Department of Health only looked at the side of the ledger that resulted in a recoupment and ignored the dollars owed to facilities. NYAHSA is closely monitoring this newest audit and will advise members as more information becomes available. We are also prepared to advocate for fairness and reasonableness in the process. Please let us know if your facility is selected as one of the test cases.

Please contact me with any questions at pcucinelli@nyahsa.org or call 518-449-2707 ext. 145.

Attachment