

To: Chemical Dependence Treatment Medicaid Providers

**Re: MEDICAID PROGRAM GUIDANCE:
Compliance Program Planning and Medicaid Integrity Contractor Audits**

The Federal Deficit Reduction Act of 2005 established Medicaid compliance program requirements for health care entities. State law [SSL 363-d] and new state regulations [18 NYCRR Part 521] became effective on July 1, 2009 and require affected providers to have a compliance program in place within 90 days [by October 1, 2009].

In New York, the following providers are statutorily mandated to establish and implement an effective compliance program:

- providers subject to Articles 28 or 36 of the Public Health Law;
- providers subject to Articles 16 or 31 of the Mental Hygiene Law; and
- providers that reasonably expect to claim at least five hundred thousand dollars (\$500,000) in any consecutive twelve-month period.

Each December, affected providers will be required to certify to the Office of Medicaid Inspector General [OMIG] that they have a compliance program in place that meets the regulatory requirements. The OMIG will also review provider compliance programs during the course of audits/investigations. Providers that fail to adopt and implement an effective compliance program will subject to any sanctions or penalties permitted under state or federal law including exclusion from the medical assistance program.

Please note that any OASAS certified program that anticipates claiming less than five hundred thousand dollars (\$500,000) in any consecutive twelve-month period is not required to establish and/or maintain the indicated compliance program unless also certified under one of the statutory mandate categories e.g. those OASAS certified programs that operate under both Article 28 and 32 authority.

During the current year, the OMIG will convene advisory committees to solicit best practices and will publish guidance for hospitals and managed care organizations on implementing effective compliance programs. The OMIG plans to develop guidance documents focused on nursing homes, homecare and chemical dependence treatment providers as the next phase of this effort. OASAS will work closely with OMIG staff on developing compliance program guidance and providing technical assistance to the field.

The OMIG has posted additional information on Mandatory Provider Compliance Programs on its web-site. Please follow this link for further information:

<http://www.omig.state.ny.us/data/content/view/81/65/>

Also established under the Federal Deficit Reduction Act of 2005, the Medicaid Integrity Program (MIP) was created to prevent and reduce provider fraud, waste, and abuse in the Medicaid system. Under MIP, the Centers for Medicare & Medicaid Services (CMS) is responsible for providing support and assistance to States and conducting nationwide audits to identify overpayments and decrease the payment of inappropriate Medicaid claims. Any Medicaid provider is subject to an MIP audit.

Island Peer Review Organization (IPRO), a not-for-profit health care consulting/audit firm, was recently awarded the contract for CMS Region II, which includes New York State. It is expected that IPRO will begin conducting audits of NYS Medicaid providers in January 2010. Providers selected for audit will be contacted directly by IPRO.

For additional information on the Medicaid Integrity Program see:

<http://www.cms.hhs.gov/MedicaidIntegrityProgram/>

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