



North Carolina Department of Health and Human Services
Division of Medical Assistance

2501 Mail Service Center • Raleigh, N. C. 27699-2501 • Tel 919-855-4100 • Fax 919-733-6608

Beverly Eaves Perdue, Governor
 Lanier M. Cansler, Secretary

Craig L. Gray, MD, MBA, JD, Director

September 22, 2011

Ms. Pam Andrews, Director
 New River Behavioral Health
 895 State Farm Road, Suite 404
 Boone, NC 28607-4917

Certified Number:
 7008 1140 0004 2796 5178

RE: Suspension of Medicaid Payments

Dear Ms. Andrews:

Pursuant to 42 CFR § 455.23(a), the Division of Medical Assistance (DMA) **must** suspend all Medicaid payments to a provider after the agency determines there is a credible allegation of fraud for which an investigation is pending under the NC Medicaid program. DMA has received a credible allegation of fraud against New River Behavioral Healthcare.

The general allegations as to the nature of the suspension action include but may not be limited to:

Failure to produce documentation for services billed including clinical assessments, PCPs and service notes; failure to transition recipients to appropriate level of care prior to closing agency and rendering proper notification to Local and State authorities, failure to present qualified staff to deliver clinical services; and failure to provide services to recipients including scheduled outpatient appointments (i.e. Medication Management) resulting in poor quality of care.

DMA is not required to disclose any specific information concerning an ongoing investigation. The State Medicaid agency has reviewed all allegations, facts and evidence carefully prior to taking this action.

As a result of the above-described fraud allegation(s), payments to your agency have been suspended effective 10/04/11 to your agency in accordance with 42 CFR § 455.23. This suspension applies to all Medicaid claims submitted by the provider number(s) listed below. Any attempt to circumvent this payment suspension action by submitting claims for services performed under this number through other agencies or other billing numbers shall result in termination. This letter serves as formal notice of this action.

Provider Name	Provider IRS Number	PI Case Number
New River Behavioral Healthcare	[REDACTED]	2011-8599



The payment suspension is for a temporary period. Pursuant to 42 CFR § 455.23(c), payment suspension will not continue after either of the following:

1. The agency or the prosecuting authorities determine that there is insufficient evidence of fraud by the provider; or
2. Legal proceedings related to the provider's alleged fraud are completed.

Your agency has the right to submit written evidence to the DMA for consideration. If you wish a reconsideration of this decision, please return the enclosed form to request a reconsideration review within fifteen (15) working days of receipt of this letter to:

Chief Hearing Officer
DHHS Hearing Office
2501 Mail Service Center
Raleigh, North Carolina, 27699-2501
Attention PI Case #: 2011-8599

You may request a telephone or personal hearing. You may also submit written documentation for review. The documentation must be received within fifteen (15) working days from receipt of this letter in order to be considered. If you request a personal hearing, the hearing will be scheduled in the DHHS Raleigh office. Following reconsideration review, you will be notified in writing of the decision. If you do not request a Reconsideration Review or if you disagree with the reconsideration review decision, you may file a petition for a contested case hearing with the Office of Administrative Hearings (OAH) in accordance with G.S. § 150B-23(a). You have sixty (60) calendar days from the date of this letter or the date of the reconsideration review decision to **file** a contested case petition with the OAH. Petition forms are available on the OAH website at <http://www.oah.state.nc.us/forms.html>. There may be a fee associated with filing a petition at OAH. If you have questions about the OAH appeal process or the filing fee, OAH can be reached directly at (919) 431-3000. You **must** file the contested case petition form with the Office of Administrative Hearings, either in person at 1711 New Hope Church Road, Raleigh, NC 27609, by mail at 6714 Mail Service Center, Raleigh, NC 27699-6714 or via facsimile or electronic transmission in accordance with 26 NCAC 03.0101(c) **and** mail a copy to Legal Counsel, NC Department of Health and Human Services, 101 Blair Drive, Raleigh, NC, 27603.

If you have any questions regarding this notice, please contact me directly at (919) 647-8000.

Sincerely,



Patrick Piggott, Section Chief
Behavioral Health Review Section
Program Integrity

Enclosure(s)

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Cc:

Craig L. Gray, DMA Director
Tara Larson, Chief Operating Officer, DMA
Charles H. Hobgood, MFCU
Sheila Platt, DMA Provider and Recipient Services
Roger Barnes, DMA Finance
John Alexander, DMA Budget
Laketha Miller, DHHS Controller
Steve Jordan, Director, DMH/DD/SAS
Gayl Manthei, NCDOJ
Brian Ingraham, Director, Smoky Mountain Center
Don Adams, County Manager, Allegahany
Patricia Mitchell, County Manager, Ashe
Robert Wisemean, County Manager, Avery
John Yates, County Manager, Wilkes
Zack Henderson, Board Chair
Dave Swann, Director, Crossroads LME

REQUEST FOR RECONSIDERATION

TO: Hearing Office
Department of Health and Human Services
2501 Mail Service Center
Raleigh, North Carolina 27699-2501
Facsimile (919) 715-6394

Dear Chief Hearing Officer:

I hereby request the following type of reconsideration review of the allegations identified:

_____ Paper (Additional information about my concerns is attached)

_____ Personal (by scheduled telephone conference call)

_____ Personal (I understand this will be held in Raleigh)

Signed: _____

Date: _____

Telephone: _____

REMEMBER: The request must be received by the DHHS Hearing Officer within fifteen (15) working (business) days from the receipt of the notice of payment suspension. Please include a copy of the payment suspension notice with your reconsideration request. Documentation may be faxed to the Hearing Office at (919) 715-6394. (*10 pages or less*). If you have any questions about the reconsideration, please call the Hearing Office at (919) 647-8200.

RE: DMA Program Integrity Section: Behavioral Health Review Section
Provider Name: **New River Behavioral Healthcare**
Employee Identification Number: **[REDACTED]**
Program Integrity Case Number: **2011-8599**
Investigator: **Patrick Piggott**

***** IMPORTANT:** The Hearing Office must receive your request by 5pm on the date it is due.