

14 NYCRR Part 577

Express Terms

1. Subdivision (b) of Section 577.5 of Title 14 NYCRR is amended to read as follows:

(b) All reports required to be prepared and submitted to the commissioner:

(1) shall be prepared in accordance with generally accepted accounting principles,
unless otherwise required by the commissioner; [and]

(2) shall be certified by an [independent certified public accountant and an] officer or
administrator of the hospital; and

(3) shall be subject to audit pursuant to section 577.6 of this Part.

2. Subdivisions (c) and (d) of Section 577.6 of Title 14 NYCRR are amended to read as
follows:

(c) The commissioner may enter into agreements with the Department of [Social Services] Health or other organizations or other agencies having audit responsibilities to audit the financial and statistical records of hospitals. The conduct of such audits by the Department of [Social Services] Health shall be done in accordance with procedures as set forth in applicable regulations of the Department of [Social Services] Health and shall be subject to any fees that may be set for the purpose of funding such audits as may be established pursuant to said regulations. Audits of Medicaid by the Office of Mental Health shall also be conducted in accordance with procedures as set forth in applicable Department of [Social Services] Health regulations or as set forth in agreement(s) between the Office of Mental Health and the Department of [Social Services] Health. All other audits shall be done in accordance with this Part.

(d) Audits which are conducted by the Office of Mental Health, or by its designee, other than audits conducted by the Department of Health pursuant to subdivision (c) of this section, shall be conducted in accordance with Part 552 of this Title and the following procedures:

- (1) In addition to the draft audit report issued in accordance with section 552.6(a) of this Title, a notice of proposed rate revision shall be sent to the hospital.
- (2) In addition to the provider's response to the final audit report required in section 552.7(e) of this Title, proposed rate revisions resulting from the implementation of audit findings shall be final unless within 45 days of receipt of the proposed rate revision, the hospital requests a hearing on factual issues. Requests for hearings, and the conduct of such hearings, shall be pursuant to Part 503 of this Title.
- (3) Revisions to rates determined in accordance with the provisions of this paragraph shall be retroactive to the rate year covered by the audit. Any resulting overpayment shall be satisfied by either retroactive adjustments of the provisional rate paid, based on the period audited, or prospective adjustment of the current certified rate at the discretion of the commissioner.