

cc: Ms. Daniels Rivera by Scan
Ms. Mailloux by Scan
Ms. Bordeaux by Scan
Mr. Cohen by Scan
BOA by scan
SAPA File



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

August 26, 2026

CERTIFIED MAIL/RETURN RECEIPT

Emily C. Liao, Esq.
NYS Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

Peter Cantalupe, Pro Se, DBA
"A Professional Transport"



**RE: In the Matter of Peter Cantalupe DBA
"A Professional Transport"**

Dear Parties:

Enclosed please find the Decision After Hearing in the above referenced matter.

If the appellant did not win this hearing, the appellant may appeal to the courts pursuant to the provisions of Article 78 of the Civil Practice Law and Rules. If the appellant wishes to appeal this decision, the appellant may wish to seek advice from the legal resources available (e.g. the appellant's attorney, the County Bar Association, Legal Aid, OEO groups, etc.). Such an appeal must be commenced within four (4) months after the determination to be reviewed becomes final and binding.

Sincerely,

Tina M. Champion
Interim Chief Administrative Law Judge
Bureau of Adjudication

TMC: cmg
Enclosure

STATE OF NEW YORK
DEPARTMENT OF HEALTH

In the Matter of the Appeal of

**Peter Cantalupe DBA
"A Professional Transport"**
Medicaid Provider #04161804

from a determination to recover Medicaid
Program overpayments.

COPY

**DECISION
AFTER
HEARING**
Audit No. 25-2451

Before: Kathleen Dix
Administrative Law Judge

Hearing date: October 20, 2025
Via Webex Videoconference
Record closed December 5, 2025

Parties: NYS Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204
By: Emily C. Liao, Esq.
emily.liao@omig.ny.gov

Peter Cantalupe, Pro Se, DBA
"A Professional Transport"

peteraptransport@gmail.com

JURISDICTION

The New York State Department of Health (Department) acts as the single state agency to supervise the administration of the Medical Assistance (Medicaid) Program in New York State. 42 USC 1396a; Public Health Law (PHL) § 201(1)(v); Social Services Law (SSL) § 363-a. The New York State Office of the Medicaid Inspector General (OMIG), an independent office within the Department, is authorized to investigate and pursue civil and administrative enforcement actions to recover improperly expended Medicaid funds. PHL §§ 31-32.

The OMIG determined to recover Medicaid Program overpayments from Peter Cantalupe DBA "A Professional Transport" (Appellant) for the period May 1, 2022 through February 20, 2025, for procedure code A0170, parking and tolls. (T. page 21.) The Appellant requested this hearing pursuant to SSL § 145-a and former Department of Social Services (DSS) regulations at 18 NYCRR 519.4 to review the determination.

HEARING RECORD

OMIG Witness: Danielle Jolicoeur, Medicaid Integrity Specialist 1

OMIG Exhibits:

1. MFCU Cease and Desist Order
2. Draft Audit Report (DAR) dated April 29, 2025
3. Emails to Provider to confirm receipt of DAR (April 29, 2025)
4. Provider's Response to DAR received on May 29, 2025
5. Email on June 4, 2025 – Receipt of Provider Response
Email on June 10, 2025 – Final Audit Report (FAR) and Attachment A
6. Final Audit Report (FAR) dated June 10, 2025
7. Attachment A - Claims with Date of Service between May 1, 2022 and February 20, 2025, as of March 26, 2025
8. Hearing Request dated July 20, 2025
9. DOH Guidance (relevant pages with highlights)
Information for All Providers, General Policy
Transportation Policy Manual
Medicaid Update, Feb 2022, Vol 38 No 2
10. Legal Sources (relevant pages with highlights)
18 NYCRR 504.3, 504.8, 505.10, 515.2, 517.3, 518.1, 518.3, 540.7.

Appellant Witnesses: Peter Cantalupe, Owner "A Professional Transport"

Appellant Exhibits: None.

A transcript of the hearing was made. (Transcript [T.]: pages 1-61.) The OMIG submitted a post hearing brief and the record closed on December 5, 2025.

FINDINGS OF FACT

1. At all times relevant hereto, the Appellant, located in Fayetteville, New York, was a transportation provider enrolled in the New York State Medicaid Program in the service category "0603", taxi. (T. pages 16, 23.)

2. By letter dated January 7, 2025, the New York State Attorney General, Medicaid Fraud Control Unit (MFCU) issued to the Appellant a "Cease and Desist" order directing him to discontinue submitting claims for tolls not actually incurred. (Exhibit 1.)

3. The OMIG performed a data analysis of Medicaid claims billed and paid to the Appellant for the period May 1, 2022 through February 20, 2025, and issued a draft audit report dated April 29, 2025, which determined he had missing or insufficient documentation to support services billed. The Appellant claimed that he paid and billed the Medicaid Program for \$50 tolls on 1,026 trips, amounting to \$51,300.00, when none of the trips claimed incurred tolls in that amount. (Exhibit 2; T. pages 9, 18-19.)

4. The draft audit report advised the Appellant, pursuant to 18 NYCRR 517.5, that he was entitled to submit objections to the proposed action, which objections were required to include any additional material or documentation that the Appellant wished to be considered. (Exhibit 2; T. page 27.)

5. On or about May 29, 2025, the Appellant submitted an objection to the draft audit report, stating:

From day 1 we have never determined amounts paid for transportation. MAS [Medicaid Answering Service] determined all mileage and amounts paid we can't change or alter mileages. For 10 years we have been cheated out of at least 1 mile for every trip. Have been told by mas we determine what you bill. If there is a toll added mas should have been putting the amount in. I would like to request

a hearing on this. Please get back to me to discuss. 315-481-5509 or peteraprofssionaltransport@gmail.com Thanks, Peter Cantalupe.
(Exhibit 4; T. page 28.)

6. The OMIG issued a final audit report dated June 10, 2025, which advised the Appellant that his objection to the draft audit report did not provide supplemental documentation for it to review against the draft audit report findings and that the overpayments identified in this Final Audit Report remain unchanged from the draft audit report. The OMIG advised the Appellant that the total amount due was \$57,705.03, inclusive of interest accrued, and noted that interest will continue to accrue in accordance with 18 NYCRR 518.4. (Exhibit 6; T. page 31.)

7. By letter dated July 20, 2025, the Appellant requested this hearing to review the determination and findings set forth in the final audit report. (Exhibit 8.)

ISSUES

Was the OMIG's determination to recover Medicaid Program overpayments from the Appellant for tolls not incurred, correct? If so, was the OMIG's determination to impose interest on the overpayment correct?

APPLICABLE LAW

As a condition of their voluntary enrollment in the Medicaid Program, providers are required to prepare, maintain, and furnish to the Department upon request, contemporaneous records fully disclosing the nature and extent of the care, services and supplies they provide and demonstrating their right to receive payment from the program. The information provided in relation to any claim must be true, accurate and complete. All records necessary to disclose the nature and extent of services furnished must be kept by the provider and are subject to audit for six years. 18 NYCRR 504.3(a)&(h), 517.3(b), 540.7(a)(8). *See also*, New York State Medicaid Information for All Providers General Policy¹ (Exhibit 9).

¹ https://www.emedny.org/ProviderManuals/AllProviders/PDFS/Information_for_All_Providers-General_Policy.pdf

All Medicaid medical transportation must be in accordance with Department regulations at 18 NYCRR 505.10. Transportation providers will be reimbursed only when contemporaneous, complete, acceptable, and verifiable records are available when requested in connection with an audit, investigation or inquiry. Incomplete, inaccurate or false claim information will result in recoupment of the reimbursement paid. The Medicaid Program will reimburse only for the actual costs incurred by a transportation provider, and when tolls are incurred they should be billed according to the actual toll charged. New York State Medicaid Transportation Policy Manual (Transportation Manual)² § 2.2., § 2.5 (Exhibit 9); 18 NYCRR 504.3(a), 505.10(e)(8) and 517.3(b).

When the Department has determined that claims for medical care, services or supplies have been submitted for which payment should not have been made, it may require repayment of the amount determined to have been overpaid. 18 NYCRR 518.1(b), 518.3. An overpayment includes any amount not authorized to be paid under the Medicaid Program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse, or mistake. 18 NYCRR 504.8, 518.1(b)&(c). Pursuant to 18 NYCRR 518.4, the OMIG is authorized to collect interest from the date of the overpayments.

If the Department determines to recover an overpayment, the provider has the right to an administrative hearing. 18 NYCRR 519.4. At the hearing, the provider has the burden of showing that the determination of the Department was incorrect and that all costs claimed were allowable. 18 NYCRR 519.18(d)(1). Regulations pertinent to this hearing are found at 18 NYCRR Parts 517, 518 and 519, and address the audit, overpayment, and hearing aspects of this case. Specific provisions regarding transportation providers are at 18 NYCRR 505.10.

² https://www.emedny.org/ProviderManuals/Transportation/PDFS/Transportation_Manual_Policy_Section.pdf

DISCUSSION

The Appellant is an enrolled transportation provider providing taxi services to Medicaid recipients. (T. page 23.) All of the Appellant's claims under audit were for procedure code A0170, payment for parking and tolls. (T. page 21.) For the claims that were disallowed under this audit, the Appellant billed and Medicaid paid \$50 for parking and tolls for each claim. (T. page 23.) The OMIG determined that these claims should be denied because the tolls were not actually incurred. (T. page 24.) After issuance of the draft audit report, the OMIG sought documentation, such as copies of E-ZPass statements, toll-by-mail receipts and/or parking receipts, from the Appellant to substantiate the claims. (T. pages 27, 30.) Although the OMIG did receive a written explanation in response to the draft audit report, the Appellant did not include therein any documentation to substantiate the tolls for which he billed. (T. pages 28-30.)

The audit found that the Appellant engaged in an unacceptable practice by the submission of claims to Medicaid for reimbursement for unfurnished medical care, services, or supplies, in violation of 18 NYCRR 515.2. (Exhibit 6; T. page 32.) Additionally, the audit found that the Appellant failed to prepare and maintain contemporaneous records demonstrating his right to received reimbursement and to submit claims for services actually furnished. (Exhibit 6; T. page 37.)

The Appellant agreed that the tolls were overbilled and that he received an overpayment, but contends that it was not intentional nor intended to defraud the state. (T. page 44, 46-47, 50) The Appellant disagrees that he failed to maintain appropriate records. (T. page 42.)

The Appellant testified that he uses Medical Answering Service (MAS), "who basically does the whole state for medical transportation" and that around the time of this audit period MAS changed its program and procedures. The Appellant explained that prior thereto he was required to maintain a handwritten record of everything he did, but that once MAS changed its program he was then no longer required to have documentation for his trips because it was all

done through GPS [Global Positioning System]; that now, he cannot bill unless MAS has GPS data for all the trips that are done. (T. page 43.)

When the Appellant submits his bill, he can check off the items to be billed, including tolls. When it came to the tolls, the Appellant explained that MAS entered \$50 as the amount for the toll for each claim for which it sought prior approval. He claimed that when he billed Medicaid and included tolls, he knew of no way to change the amount that MAS had entered. (T. pages 49-50.) The Appellant also acknowledged, however, that he reached out to MAS and spoke with Russ Maxwell, its owner, and was told that MAS was not going to take the time to change the tolls; it was his problem, *i.e.*, that "it was the vendor's problem to figure out the totals." (T. page 44.)

The Appellant testified that since he received the cease and desist letter he no longer bills for tolls; he absorbs the cost because he cannot determine how to change the toll amount entered by MAS. (T. page 48.) The Appellant is not challenging the overpayment amount or contesting paying back the Medicaid overpayment, but he requests that interest and any fees associated with the overpayment be eliminated because the overpayment was done unintentionally and the error was caused by MAS, the way it entered the prior approval information, and its unwillingness to adjust the toll charges or assist the providers in doing so. (T. pages 46-47.) The Appellant believes that MAS should be held accountable for its actions in causing the incorrect billing as there was nothing he or any other vendor can do to bill [tolls] correctly because it is all dictated by MAS. This is a matter between the Appellant and MAS. It remains the case that the Appellant received Medicaid reimbursement for tolls he never paid and is responsible for the overpayments he received.

The Appellant concedes the overpayment and does not object to repayment thereof. With regard to the imposition of interest, when reading the foregoing in a light most favorable to the Appellant, the Appellant has failed to meet its burden of proving that the assessment of interest

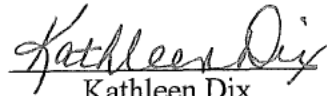
pursuant to the explicit provisions of 18 NYCRR 518.4 is in error or an abuse of discretion.

DECISION

The OMIG's determination to recover overpayments in the amount of \$51,300.00, plus interest of \$6,405.03, for a total amount of \$57,705.03 as set forth in Final Audit Report for audit number 25-2451 is AFFIRMED.

This decision is made by Kathleen Dix, Bureau of Adjudication, who has been designated to make such decisions.

DATED: Menands, New York
August 25, 2026


Kathleen Dix
Administrative Law Judge

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