



**STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL**

800 North Pearl Street, 2nd Floor
Albany, New York 12204

(518) 473-3782
Fax: (518) 474-6773

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
ACTING MEDICAID INSPECTOR GENERAL

For Immediate Release

**Contact: Wanda Fischer, 518-473-3782,
518-527-1203 (cell)
Wanda.Fischer@omig.ny.gov**

OMIG Recommends Excluding Soundview Health Care Center from Medicaid

Albany, NY (August 10, 2011)—Following an extensive review of management practices within the Comprehensive Community Development Corporation (d/b/a Soundview Health Network) in the Bronx, the Office of the Medicaid Inspector General has issued a notice of proposed agency action, recommending that New York State exclude Soundview from the Medicaid program..

This decision is based on Soundview's failure to develop and enact a comprehensive compliance program, as required by New York State Social Services Law Section 363-d and 18 NYCRR Part 521 and could significantly impact Soundview's ability to care for patients.

Acting Medicaid Inspector General James C. Cox made this decision based on onsite effectiveness reviews conducted in May by OMIG's Bureau of Compliance, as well as depositions taken from Soundview's board chair and assistant controller in July. OMIG had subpoenaed thousands of pages of documents from the healthcare organization; a number of documents and information requests included in the various subpoenas which Soundview and the individuals who were named in the subpoenas have yet to be produced.

Soundview's president and chief executive officer is former New York State Senate President Pedro Espada, Jr., who, along with his son, Pedro Gautier Espada, were excluded from participating in the Medicaid program on January 10, 2011. Exclusion means that they cannot be paid with Medicaid funds. Both Espadas continue to work at Soundview despite having been excluded from the Medicaid program.

In its assessment of the situation at Soundview, the Bureau of Compliance cites several outstanding failures, including:

- Refusal to remove excluded parties (Pedro Espada, Jr. and Pedro G. Espada) from management roles and influence in Soundview's delivery of Medicaid services;
- Lack of oversight in Soundview's business operations, which include lack of compliance program and failure to oversee and insist on timely filings of required financial filings (which include federal form 990s for the years 2008-09 and New York State Charities reports for 2008-09); and
- Decision to execute a multi-year employment contract in December 2010 with Pedro Espada, Jr., who was under federal indictment for alleged crimes related to the delivery of healthcare services at Soundview's facilities at the time that the contract was signed.

“Compliance is a crucial component in health care delivery,” said Mr. Cox. “Without an effective compliance program in place, health care providers are unable to maintain the internal controls necessary to maintain their financial responsibilities. Our Bureau of Compliance made every attempt possible to collaborate with Soundview management to help them develop and put an effective compliance program in place. The evidence we found during our compliance reviews and through the testimony of their own leaders indicates that they do not take compliance seriously, and, therefore, have violated their agreement—and state law—that enables them to participate in the Medicaid program.”

Soundview has 30 days from receiving the notice of proposed agency action to answer to the complaints and concerns posed within the document before facing exclusion from the Medicaid program.

-30-

The mission of the Office of the Medicaid Inspector General is to enhance the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds while promoting high quality patient care.