§ 368-c. Audit of state rates of payment to providers of health care services. 1. The commissioner may conduct, or have conducted, an audit of financial and statistical reports used for the purpose of establishing rates of payment or fees made in accordance with the medical assistance program.

2. The commissioner shall implement audit procedures and activities to enable the identification of the appropriate rates of payment made through the medical assistance program. Furthermore the commissioner shall conduct an annual review of financial and statistical reports with respect to residential health care facilities certified pursuant to article twenty-eight of the public health law. Where such review indicates substantial noncompliance, as defined in regulation by the commissioner, with the requirements of the medical assistance program the commissioner shall conduct or have conducted an on-site audit. Provided further however, that at least once every four fiscal years an on-site audit shall be conducted.

3. To allow for the recomputation of affected fees or rates of payment, the commissioner shall, as appropriate, supply audit findings to the governmental agency or corporation organized and operating in accordance with article forty-three of the insurance law responsible for the promulgation of fees or rates of reimbursement.

4. The commissioner shall enter into interagency agreements, subject to the approval of the director of the budget, to delineate the respective responsibilities of the department and other governmental agencies with respect to this section.

5. The commissioner is authorized to promulgate regulations to implement the provisions of this section.