

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**NEW YORK CLAIMED
MEDICAID REIMBURSEMENT FOR
UNALLOWABLE DENTAL SERVICES
BILLED BY A DENTIST
BASED IN NEW YORK CITY**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



Brian P. Ritchie
Assistant Inspector General
for Audit Services

October 2016
A-02-13-01032

Office of Inspector General

<http://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The Office of Audit Services (OAS) provides auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

Office of Evaluation and Inspections

The Office of Evaluation and Inspections (OEI) conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. These evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness of departmental programs. To promote impact, OEI reports also present practical recommendations for improving program operations.

Office of Investigations

The Office of Investigations (OI) conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. With investigators working in all 50 States and the District of Columbia, OI utilizes its resources by actively coordinating with the Department of Justice and other Federal, State, and local law enforcement authorities. The investigative efforts of OI often lead to criminal convictions, administrative sanctions, and/or civil monetary penalties.

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.

Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov>

Section 8M of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site.

OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

EXECUTIVE SUMMARY

New York State claimed at least \$64,000 in unallowable Medicaid reimbursement for dental services billed by a New York City dentist over two and a half years.

WHY WE DID THIS REVIEW

Federal law authorizes Medicaid, which covers essential dental services for Medicaid-eligible beneficiaries. In an April 2012 hearing on government efforts to address Medicaid fraud, Congress noted its concerns on waste, fraud, and abuse of certain Medicaid program services, including dental services. Based on Congress' concerns, the results of a review we conducted on certain Medicaid orthodontic services provided to beneficiaries in New York City, and other Office of Inspector General (OIG) reviews throughout the country, we are conducting a series of reviews of claims submitted for Medicaid reimbursement by the New York State Department of Health (State agency) for dental services billed by dentists which we identified as being potentially at risk for noncompliance with certain Federal and State requirements. In this review, we identified a dentist at risk for billing a potentially excessive number of services during our audit period.

The objective of this review was to determine whether the State agency complied with certain Federal and State requirements when claiming Medicaid reimbursement for dental services billed by a dentist based in New York City, whom we refer to as "the New York City dentist" throughout the report.

BACKGROUND

In New York State, the State agency administers the Medicaid program. The New York State Medicaid Dental Program provides essential dental services to Medicaid-eligible beneficiaries. Under the New York State Medicaid program, dentists must be enrolled as a Medicaid provider to receive Federal Medicaid reimbursement.

The New York City dentist is an oral surgeon who provided oral and maxillofacial surgery services to underserved urban populations in several locations throughout the boroughs of Manhattan and the Bronx. The New York City dentist employed or contracted with several dentists during our January 1, 2010, through June 30, 2012, audit period.

HOW WE CONDUCTED THIS REVIEW

The New York City dentist received Federal Medicaid reimbursement totaling \$1,291,111 for diagnostic, oral and maxillofacial surgery, and related services for 31,738 dental service claim lines (claims) during our January 1, 2010, through June 30, 2012, audit period. Of these dental claims, we selected a random sample of 100 claims and reviewed corresponding documentation maintained by the New York City dentist. In addition, we verified whether the dentists who performed the services were licensed, enrolled as a Medicaid provider, and not excluded from program participation.

WHAT WE FOUND

The State agency's claims for Federal Medicaid reimbursement for dental services billed by the New York City dentist did not always comply with certain Federal and State requirements. Specifically, for 12 of the 100 claims in our sample the dentist who performed the services was not enrolled in the Medicaid program. The remaining 88 claims complied with Federal and State requirements.

On the basis of our sample results, we estimated that the State agency claimed at least \$64,454 in Federal reimbursement for unallowable dental services billed by the New York City dentist.

According to an official from the New York City dentist's office, the Medicaid enrollment status of the dentists who provided the Medicaid-eligible dental services was not verified prior to the services being provided.

WHAT WE RECOMMEND

We recommend that the State agency:

- refund \$64,454 to the Federal Government and
- ensure that only enrolled Medicaid providers bill for Federal reimbursement by re-educating the New York City dentist on Medicaid billing requirements.

NEW YORK CITY DENTIST COMMENTS

In an email, the New York City dentist's office stated that it had no comments on our draft report.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency did not indicate concurrence or nonconcurrence with our first recommendation, and concurred with our second recommendation. Specifically, the State agency stated that the Office of Medicaid Inspector General, a division within the State agency, will analyze documentation to determine if a refund to the Federal Government is appropriate. The State agency also described corrective actions it had taken to address our second recommendation.

TABLE OF CONTENTS

INTRODUCTION	1
Why We Did This Review	1
Objective	1
Background	1
Medicaid Program	1
New York State’s Medicaid Dental Program	1
The New York City Dentist	2
How We Conducted This Review	2
FINDING	2
Providing Dentist Not Enrolled in Medicaid Program	3
RECOMMENDATIONS	3
NEW YORK CITY DENTIST COMMENTS	3
STATE AGENCY COMMENTS	3
APPENDIXES	
A: Related Office of Inspector General Reports	4
B: Audit Scope and Methodology	5
C: Statistical Sampling Methodology	7
D: Sample Results and Estimates	8
E: State Agency Comments	9

INTRODUCTION

WHY WE DID THIS REVIEW

Federal law authorizes Medicaid, which covers essential dental services for Medicaid-eligible beneficiaries. In an April 2012 hearing on government efforts to address Medicaid fraud, Congress noted its concerns on waste, fraud, and abuse of certain Medicaid program services, including dental services.¹ Based on Congress' concerns, the results of a review we conducted on certain Medicaid orthodontic services provided to beneficiaries in New York City, and other Office of Inspector General (OIG) reviews throughout the country,² we are conducting a series of reviews of claims submitted for Medicaid reimbursement by the New York State Department of Health (State agency) for dental services billed by dentists which we identified as being potentially at risk for noncompliance with certain Federal and State requirements. In this review, we identified a dentist at risk for billing a potentially excessive number of services during our audit period.

OBJECTIVE

Our objective was to determine whether the State agency complied with certain Federal and State requirements when claiming Medicaid reimbursement for dental services billed by a dentist based in New York City, whom we refer to as “the New York City dentist” throughout the report.

BACKGROUND

Medicaid Program

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan.

New York State's Medicaid Dental Program

In New York State, the State agency administers the Medicaid program. The New York State Medicaid Dental Program provides essential dental services to Medicaid-eligible beneficiaries. Under the New York State Medicaid program, dentists must be enrolled as a Medicaid provider to receive Federal Medicaid reimbursement.³

¹ “Is Government Adequately Protecting Taxpayers from Medicaid Fraud?” Joint hearing before the Subcommittee on Health Care, District of Columbia, Census, and the National Archives; and the Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending of the Committee on Oversight and Government Reform, House of Representatives, 112th Congress, April 25, 2012.

² Appendix A contains a list of related OIG reports.

³ 18 NYCRR § 504.1(b)(1).

The New York City Dentist

The New York City dentist is an oral surgeon who provided oral and maxillofacial surgery services to underserved urban populations in several locations throughout the boroughs of Manhattan and the Bronx. The New York City dentist employed or contracted with several dentists during our January 1, 2010, through June 30, 2012, audit period.

HOW WE CONDUCTED THIS REVIEW

The New York City dentist received Federal Medicaid reimbursement totaling \$1,291,111 for diagnostic, oral and maxillofacial surgery, and related services for 31,738 dental service claim lines (claims) during our January 1, 2010, through June 30, 2012, audit period. Of these dental claims, we selected a simple random sample of 100 claims and reviewed corresponding documentation maintained by the New York City dentist. In addition, we verified whether the dentists who performed the services were licensed, enrolled as Medicaid providers, and not excluded from program participation.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B contains the details of our audit scope and methodology, Appendix C contains details of our statistical sampling methodology, and Appendix D contains our sample results and estimates.

FINDING

The State agency's claims for Federal Medicaid reimbursement for dental services billed by the New York City dentist did not always comply with certain Federal and State requirements. Specifically, for 12 of the 100 claims in our sample the dentist who performed the services was not enrolled in the Medicaid program. The remaining 88 claims complied with Federal and State requirements.

On the basis of our sample results, we estimated that the State agency claimed at least \$64,454 in Federal reimbursement for unallowable dental services billed by the New York City dentist.⁴

According to an official from the New York City dentist's office, the Medicaid enrollment status of the dentists who provided the Medicaid-eligible dental services was not verified prior to the services being provided.

⁴ To be conservative, we recommend recovery of overpayments at the lower limit of a two-sided 90-percent confidence interval. Lower limits calculated in this manner will be less than the actual overpayment total at least 95 percent of the time.

PROVIDING DENTIST NOT ENROLLED IN MEDICAID PROGRAM

Any person who furnishes Medicaid-eligible medical care or services must be enrolled as a Medicaid provider prior to being eligible to receive Federal reimbursement.⁵

For 12 of the 100 claims in our sample, the dentist who provided the service was not enrolled in the Medicaid program.

RECOMMENDATIONS

We recommend that the State agency:

- refund \$64,454 to the Federal Government and
- ensure that only enrolled Medicaid providers bill for Federal reimbursement by re-educating the New York City dentist on Medicaid billing requirements.

NEW YORK CITY DENTIST COMMENTS

In an email, the New York City dentist's office stated that it had no comments on our draft report.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency did not indicate concurrence or nonconcurrence with our first recommendation, and concurred with our second recommendation. Specifically, the State agency stated that the Office of Medicaid Inspector General, a division within the State agency, will analyze documentation to determine if a refund to the Federal Government is appropriate. The State agency also described corrective actions it had taken to address our second recommendation. Specifically, the State agency stated that it has contacted the New York City dentist's office and provided education and guidance on current Medicaid billing requirements. The State agency stated that it will monitor the office's claims to ensure that only enrolled dentists are providing treatment.

The State agency's comments appear in their entirety as Appendix E.

⁵ 18 NYCRR § 504.1(b)(1). According to 18 NYCRR § 504.1(a), this regulation relates to New York State's goal to contract with only those persons who can demonstrate that they are qualified to provide medical care, services, or supplies and who can provide reasonable assurance that public funds will be properly utilized.

APPENDIX A: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
<i>Washington State Claimed Unallowable Federal Medicaid Reimbursement for Some Dental Services</i>	A-09-13-02041	5/24/2016
<i>Most Children With Medicaid in Four States Are Not Receiving Required Dental Services</i>	OEI-02-14-00490	1/20/2016
<i>Texas Paid Millions for Unallowable Medicaid Orthodontic Services</i>	A-06-11-00048	6/3/2015
<i>Questionable Billing for Medicaid Pediatric Dental Services in California</i>	OEI-02-14-00480	5/15/2015
<i>North Carolina Claimed Federal Medicaid Reimbursement for Dental Services That Did Not Always Comply With Federal and State Requirements</i>	A-04-13-04014	3/26/2015
<i>Questionable Billing for Medicaid Pediatric Dental Services in Indiana</i>	OEI-02-14-00250	11/4/2014
<i>Questionable Billing for Medicaid Pediatric Dental Services in Louisiana</i>	OEI-02-14-00120	8/19/2014
<i>Texas Did Not Ensure That the Prior-Authorization Process Was Used To Determine the Medical Necessity of Orthodontic Services</i>	A-06-12-00039	8/6/2014
<i>Questionable Billing for Medicaid Pediatric Dental Services in New York</i>	OEI-02-12-00330	3/25/2014
<i>New York Improperly Claimed Medicaid Reimbursement for Orthodontic Services to Beneficiaries in New York City</i>	A-02-11-01003	10/21/2013

APPENDIX B: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our review covered 31,738 claims for dental services, totaling \$2,584,485 (\$1,291,111 Federal share), provided to 5,833 Medicaid beneficiaries who received diagnostic, oral and maxillofacial surgery, and related services from the New York City dentist during our January 1, 2010, through June 30, 2012, audit period.

We did not assess the overall internal control structure of the Medicaid program, the State agency, or the New York City dentist. Rather, we reviewed only the internal controls that pertained directly to our objective. Our review allowed us to establish reasonable assurance of the authenticity and accuracy of the data obtained from the Medicaid Management Information System (MMIS)⁶ file for our audit period, but we did not assess the completeness of the file.

We performed our fieldwork at the State agency's offices and the MMIS fiscal agent in Rensselaer, New York; and at the New York City dentist's office in New York, New York.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal and State requirements;
- held discussions with State agency officials to gain an understanding of the New York State Medicaid Dental Program;
- held discussions with the New York City dentist to gain an understanding of their procedures for billing dental services to the Medicaid program;
- obtained from New York's MMIS a sampling frame of 31,738 dental service claims for diagnostic, oral and maxillofacial surgery, and related services for the New York City dentist totaling \$2,584,485 (\$1,291,111 Federal share);
- selected from our sampling frame a simple random sample of 100 claims and for each claim:
 - reviewed documentation maintained by the New York City dentist to determine if the associated services complied with Federal and State requirements, and
 - determined whether the dentist who provided the services was licensed, enrolled as a Medicaid provider, and not excluded from program participation;

⁶ The MMIS is a computerized payment and information reporting system used to process and pay Medicaid claims.

- estimated the unallowable Federal Medicaid reimbursement in the sampling frame of 31,738 claims; and
- discussed the results of the review with State agency officials.

See Appendix C for the details of our statistical sampling methodology and Appendix D for our sample results and estimates.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX C: STATISTICAL SAMPLING METHODOLOGY

POPULATION

The population consisted of Medicaid dental service claims for diagnostic, oral and maxillofacial surgery, and related services for the New York City dentist during our January 1, 2010, through June 30, 2012, audit period.

SAMPLING FRAME

The sampling frame was an Excel file containing 31,738 dental service claims for diagnostic, oral and maxillofacial surgery, and related services, totaling \$2,584,485 (\$1,291,111 Federal share). The Medicaid claims were extracted from the claims file maintained at the MMIS fiscal agent.

SAMPLE UNIT

The sample unit was a Medicaid dental service claim made for diagnostic, oral and maxillofacial surgery, and related services for the New York City dentist for which the State agency claimed Federal Medicaid reimbursement.

SAMPLE DESIGN

We used a simple random sample.

SAMPLE SIZE

We selected a sample of 100 Medicaid claims.

SOURCE OF RANDOM NUMBERS

We generated the random numbers with OIG, Office of Audit Services (OAS) statistical software.

METHOD OF SELECTING SAMPLE UNITS

We consecutively numbered the 31,738 Medicaid dental service claims. After generating 100 random numbers, we selected the corresponding frame items.

ESTIMATION METHODOLOGY

We used the OIG/OAS statistical software to appraise the sample results. We estimated the overpayment associated with the unallowable claims at the lower limit of the 90-percent confidence interval.

APPENDIX D: SAMPLE RESULTS AND ESTIMATES

Sample Results

Claims in Frame	Value of Frame (Federal share)	Sample Size	Value of Sample (Federal share)	No. of Unallowable Claims	Value of Unallowable Claims (Federal share)
31,738	\$1,291,111	100	\$3,944	12	\$427

Estimated Value of Unallowable Claims (Federal share)
(Limits Calculated for a 90-Percent Confidence Interval)

Point estimate	\$ 135,521
Lower limit	\$ 64,454
Upper limit	\$ 206,588

APPENDIX E: STATE AGENCY COMMENTS



**Department
of Health**

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

October 14, 2016

Mr. James P. Edert
Regional Inspector General for Audit Services
Department of Health and Human Services - Region II
Jacob Javitz Federal Building
26 Federal Plaza
New York, New York 10278

Ref. No: A-02-13-01032

Dear Mr. Edert:

Enclosed are the New York State Department of Health's comments on the United States Department of Health and Human Services, Office of Inspector General's Draft Audit Report A-02-13-01032 entitled, "New York Claimed Medicaid Reimbursement for Unallowable Dental Services Billed by Dentist Based in New York City."

Thank you for the opportunity to comment.

Sincerely,

Sally Dreslin

Sally Dreslin, M.S., R.N.
Executive Deputy Commissioner

Enclosure

cc: Michael J. Nazarko
Jason A. Helgerson
Dennis Rosen
James Dematteo
James Cataldo
Ronald Farrell
Brian Kiernan
Elizabeth Misa
Geza Hrazdina
Jeffrey Hammond
Jill Montag
Diane Christensen
Lori Conway
OHIP Audit SM

**New York State Department of Health
Comments on the
Department of Health and Human Services
Office of Inspector General
Draft Audit Report A-02-13-01032 entitled
“New York Claimed Medicaid Reimbursement for Unallowable Dental
Services Billed by a Dentist Based in New York City”**

The following are the New York State Department of Health’s (Department) comments in response to the Department of Health and Human Services, Office of Inspector General (OIG) Draft Audit Report A-02-13-01032 entitled, “New York Claimed Medicaid Reimbursement for Unallowable Dental Services Billed by a Dentist Based in New York City.”

Background:

New York State (NYS) is a national leader in its oversight of the Medicaid Program. The Office of the Medicaid Inspector General (OMIG) conducts on-going audits of the Medicaid program and managed care plans. The Department and OMIG will continue to focus on achieving improvements to the Medicaid program and aggressively fighting fraud, waste and abuse.

Under Governor Cuomo’s leadership, the Medicaid Redesign Team (MRT) was created in 2011 to lower health care costs and improve quality of care for its Medicaid members. Since 2011, Medicaid spending has remained under the Global Spending Cap, while at the same time providing health care coverage to an additional 1,405,500 fragile and low income New Yorkers. Additionally, Medicaid spending per recipient decreased to \$7,868 in 2014, consistent with levels from a decade ago.

Recommendation #1:

Refund \$64,454 to the Federal Government.

Response #1

OMIG has requested and received claims data and supporting documentation from OIG. OMIG will perform analysis on the documentation, to determine the appropriateness of a refund to the Federal Government.

Recommendation #2:

Ensure that only enrolled Medicaid providers bill for Federal reimbursement by re-educating the New York City dentist on Medicaid billing requirements.

Response #2

The Department’s Division of Operations and Systems Bureau of Dental Review has contacted the dental office and provided education and guidance on the current Medicaid billing requirements. The Department confirmed this discussion by registered letter, and will also monitor this office’s claims and by-reports to ensure that only enrolled dentists are providing treatment.