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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

September 19, 2017

Howard A. Zucker, M.D., J.D.  
Commissioner  
Department of Health  
Corning Tower  
Empire State Plaza  
Albany, NY 12237

Re: Questionable Payments for Practitioner  
Services and Pharmacy Claims  
Pertaining to a Selected Physician  
Report 2017-F-2

Dear Dr. Zucker:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Health to implement the recommendations contained in our audit report, *Questionable Payments for Practitioner Services and Pharmacy Claims Pertaining to a Selected Physician* (Report 2012-S-35).

**Background, Scope, and Objective**

The Department of Health (Department) administers the Medicaid program in New York State. In general, the Department uses two methods to pay Medicaid providers: the fee-for-service method and the managed care method. Under the fee-for-service method, Medicaid pays providers directly for every Medicaid-eligible service rendered to a Medicaid recipient. Under the managed care method, Medicaid pays managed care organizations (MCOs) a monthly premium for each Medicaid recipient enrolled in the MCO. The MCO then arranges for the services its members require and reimburses providers for those services. MCOs report provider payments and services to the Department on what are known as "encounter claims."

Dr. Riaz Ahmad is a Brooklyn, New York-based physician who specializes in internal medicine. For the five years ended December 31, 2011, Medicaid paid Dr. Ahmad \$712,250 for 19,031 fee-for-service claims for office visits on behalf of 1,766 Medicaid recipients. In addition, MCO payments totaled \$327,154 for 5,664 office visits for 678 Medicaid recipients. Medicaid also paid 137,637 pharmacy claims totaling about \$15 million on behalf of the recipients for whom Dr. Ahmad billed an office visit.

Physicians participating in the Medicaid program are required to maintain complete, legible records for each Medicaid patient treated. The records must include information such as the pertinent medical history for each visit; notes regarding the patient's progress and response to treatment; notation of all medications prescribed, including dosage and regimen; and a description of any diagnostic tests and the results of such tests. In addition, the patient record should include a statement regarding future visits or treatments as necessary. These records help ensure that an identifiable service was provided to the Medicaid recipient, and are required to support a physician's Medicaid claim.

We issued our initial audit report on September 18, 2015. The audit objective was to determine if Dr. Ahmad complied with Medicaid policies and whether Dr. Ahmad's medical records supported the services he billed and the prescriptions he wrote. The audit covered the period January 1, 2007 through December 31, 2011. Our initial audit found that Dr. Ahmad's medical records did not meet the minimum standards to support his Medicaid claims. Our review of a sample of Dr. Ahmad's medical records found they contained inadequate and sparse detail. The Department's review of this sample also found the records lacked sufficient details to ensure adequate treatment of complex diseases, contained no treatment plans, and were illegible. Department officials also determined the medical record details were not adequate to ensure continuity of care should another physician be required to treat Dr. Ahmad's patients. Due to the deficiencies in Dr. Ahmad's records, there was insufficient assurance that he provided appropriate medical care and that services totaling \$1,039,404 in office visits warranted Medicaid payment. This included \$712,250 for 19,031 fee-for-service claims and \$327,154 for 5,664 encounter claims paid to Dr. Ahmad. We also questioned whether medications Dr. Ahmad prescribed in connection with these services, which accounted for 137,637 pharmacy claims totaling approximately \$15 million, were all necessary. We recommended that the Department: review Dr. Ahmad's claims and recover overpayments as appropriate; determine whether Dr. Ahmad's prescriptions were supported by his medical records; and determine if medical sanctions against Dr. Ahmad were warranted.

The objective of our follow-up was to assess the extent of implementation, as of February 17, 2017, of the four recommendations included in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

In August 2015, the Office of the Medicaid Inspector General (OMIG) commenced an investigation of Dr. Ahmad to determine if the provider had engaged in unacceptable practices. At the time of our follow-up review, the investigation was ongoing and OMIG officials advised that recoveries of Medicaid overpayments and corrective actions would occur, if warranted, when the investigation was complete. Our follow-up review found that all four of the initial audit report's audit recommendations were partially implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Review the 19,031 Medicaid claims totaling \$712,250 and recover overpayments as appropriate.*

Status – Partially Implemented

Agency Action – Our initial audit found that Dr. Ahmad did not have the minimally required documentation to support the Medicaid payments for a sample of fee-for-service claims. As such, we were unable to determine if services were provided, and we recommended the Department review all of Dr. Ahmad’s Medicaid fee-for-service claims that were paid during our audit period.

The OMIG investigates and recovers improper Medicaid payments on behalf of the Department. The OMIG initiated an investigation of Dr. Ahmad in August 2015, and as of February 2017 the investigation was still ongoing and no recoveries had been made. According to OMIG officials, recovery of claim overpayments will occur, if appropriate, at the conclusion of the investigation.

**Recommendation 2**

*Review the 5,664 MCO encounter claims totaling \$327,154 and take appropriate corrective action.*

Status – Partially Implemented

Agency Action – Our initial audit found that Dr. Ahmad did not have the minimally required documentation to support a sample of encounter claims submitted to MCOs. As such, we were unable to determine if services were provided, and we recommended the Department review all encounter claims submitted by Dr. Ahmad during our audit period. As stated in the previous section (see Recommendation 1, Agency Action), the OMIG’s investigation into Dr. Ahmad is ongoing, and officials told us that appropriate corrective action will be taken based on the outcome of their investigation.

**Recommendation 3**

*Determine whether Dr. Ahmad’s medical records support the prescriptions Dr. Ahmad wrote and take appropriate corrective action.*

Status – Partially Implemented

Agency Action – Our initial audit questioned the appropriateness of \$15 million in pharmacy claims for prescriptions written by Dr. Ahmad during our audit period due to the significant issues we found with Dr. Ahmad’s medical records. According to OMIG officials, they will take appropriate corrective action once their investigation of Dr. Ahmad is completed.

**Recommendation 4**

*Determine whether medical sanctions against Dr. Ahmad are warranted.*

Status – Partially Implemented

Agency Action – OMIG officials stated that they will make a determination on the need for medical sanctions against Dr. Ahmad at the conclusion of their investigation.

Major contributors to this report were Karen Bogucki and Daniel Rossi.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the Department for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Christopher Morris  
Audit Manager

cc: Ms. Diane Christensen, Department of Health  
Mr. Dennis Rosen, Medicaid Inspector General