



New York State Office of the State Comptroller
Thomas P. DiNapoli

Division of State Government Accountability

Questionable Payments for Practitioner Services and Pharmacy Claims Pertaining to a Selected Physician

**Medicaid Program
Department of Health**



Executive Summary

Purpose

To determine if Dr. Riaz Ahmad complied with Medicaid policies and whether Dr. Ahmad's medical records support the services he billed and the prescriptions he wrote. The audit covered the period January 1, 2007 through December 31, 2011.

Background

Dr. Riaz Ahmad is a physician located in New York City who specializes in internal medicine. Dr. Ahmad has been enrolled in the Medicaid program since 1995. During the five years ended December 31, 2011, the Medicaid program (including Medicaid managed care plans) paid Dr. Ahmad \$1,039,404 for 24,695 office visits. During this period, the Medicaid program also paid approximately \$15 million for medications Dr. Ahmad prescribed in connection with those services.

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 treatment 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.

During the course of this audit, our fieldwork was temporarily suspended to avoid interfering with a review by other external oversight authorities.

Key Findings

- Frequently, 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 that they contained inadequate and sparse detail. Further, the Department of Health's review of the records found that they lacked sufficient details to ensure adequate treatment of complex diseases, contained no treatment plans, and were illegible. Department of Health 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 deficiencies in Dr. Ahmad's records, there was insufficient assurance that he provided appropriate medical care and that services totaling \$1,039,404 warranted Medicaid payment. This included \$712,250 for 19,031 fee-for-service claims paid directly by the Medicaid program to Dr. Ahmad and \$327,154 for 5,664 claims paid by Medicaid managed care plans to Dr. Ahmad.
- We question whether pharmacy claims totaling approximately \$15 million for prescription drugs ordered by Dr. Ahmad were all necessary.
- Subsequent to our audit, Dr. Ahmad's claims to the Medicaid program for office visits significantly decreased – by about 55 percent. Similarly, payments for prescription drugs written by Dr. Ahmad also decreased – by nearly 60 percent.

Key Recommendations

- Review the 19,031 Medicaid claims totaling \$712,250 and recover overpayments as appropriate.
- Review the 5,664 managed care claims totaling \$327,154 and take appropriate corrective action.
- Determine whether Dr. Ahmad's medical records support the prescriptions he wrote and take appropriate corrective action.
- Determine whether medical sanctions against Dr. Ahmad are warranted.

Other Related Audits/Reports of Interest

[Department of Health: Improper Payments to a Physical Therapist \(2013-S-15\)](#)

[Department of Health: Improper Payments to a Dentist \(2012-S-52\)](#)

State of New York
Office of the State Comptroller

Division of State Government Accountability

September 18, 2015

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

Dear Dr. Zucker:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of the Medicaid program entitled *Questionable Payments for Practitioner Services and Pharmacy Claims Pertaining to a Selected Physician*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Office of the State Comptroller
Division of State Government Accountability

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Background

The New York State Medicaid program is a federal, state, and locally funded program that provides a wide range of medical services to those who are economically disadvantaged and/or have special health care needs. In State Fiscal Year 2013-14, the federal government funded about 49.25 percent of New York's Medicaid claim costs; the State funded about 33.25 percent; and the localities (the City of New York and counties) funded the remaining 17.5 percent. During this period, New York's Medicaid claim costs totaled approximately \$50.5 billion and the program had approximately 6.5 million recipients.

The Department of Health (Department) is responsible for administering the Medicaid program in New York State. Under the Medicaid program, medical providers are reimbursed through 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 physician located in New York City (NYC) who specializes in internal medicine. Dr. Ahmad works primarily out of his Brooklyn office, but is also part of a group practice located in the Bronx. Dr. Ahmad has been enrolled in the Medicaid program since 1995. During the five years ended December 31, 2011, Medicaid paid Dr. Ahmad \$712,250 for 19,031 fee-for-service claims for office visits for 1,766 Medicaid recipients. In addition, during this period, MCOs reportedly paid Dr. Ahmad \$327,154 for 5,664 office visits on behalf of 678 recipients.

Also, during the five years ended December 31, 2011, the Medicaid program paid 137,637 fee-for-service and encounter pharmacy claims totaling \$15,005,713 on behalf of 2,025 recipients for whom Dr. Ahmad billed an office visit.

According to the New York State Medicaid program's Physician Policy Guidelines, "Physicians are required to maintain complete, legible records in English for each Medicaid-eligible patient treated." These 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;
- A description of any diagnostic tests; and
- A statement regarding future visits or treatment as necessary.

These records help ensure that an identifiable service was provided to the Medicaid enrollee, and are required to support a physician's Medicaid claim. In addition, according to Department officials, medical records should contain sufficient information so that another doctor can gain a reasonable understanding of the patient's condition and be able to assume the patient's care should the need arise.

Audit Findings and Recommendations

We determined Dr. Riaz Ahmad's medical records often did not meet the minimum standards for identifiable services, as defined by the Physician Policy Guidelines, to support many of his Medicaid claims. Due to the insufficiency of Dr. Ahmad's records, there was little assurance that he provided appropriate care and that the services he claimed warranted Medicaid payment. We concluded that the Medicaid program overpaid Dr. Riaz Ahmad for services billed between January 1, 2007 and December 31, 2011. The payments in question included \$712,250 for 19,031 fee-for-service claims for office visits on behalf of 1,766 Medicaid recipients and MCO payments totaling \$327,154 for 5,664 office visits for 678 Medicaid recipients. We further question whether the medications Dr. Ahmad prescribed in connection with these services, which accounted for 137,637 pharmacy claims totaling about \$15 million, were all necessary.¹

Questionable Services and Insufficient Records

To determine whether Dr. Ahmad's medical records supported the services he billed and the prescriptions he wrote, we initially selected a judgmental sample of 52 prescriptions, totaling \$20,189, written by Dr. Ahmad for 39 recipients. The prescriptions were selected for several reasons including:

- Prescriptions for controlled substances for recipients who have a history of alcohol or controlled substance abuse (such claims totaled \$984,093);
- Prescriptions written by Dr. Ahmad on days he may not have seen the recipient – that is, Dr. Ahmad did not bill for an office visit on the date a prescription was written (\$389,094);
- Prescriptions for recipients not residing in NYC – for example, one recipient lived more than 65 miles from Dr. Ahmad's office (\$242,852); and
- Prescriptions for HIV drugs for recipients who did not have a diagnosis of HIV (\$86,218).

Of the 52 prescriptions, 24 were written on the same day Dr. Ahmad billed Medicaid for an office visit (the 24 office visits were billed as 14 fee-for-service claims totaling \$492 for 13 recipients and 10 encounter claims totaling \$985 for 8 recipients). For the remaining 28 of the 52 prescriptions, Dr. Ahmad did not submit claims to Medicaid for office visits on the dates the prescriptions were written. (For 21 of the 28 prescriptions, documentation of the prescription order existed in Dr. Ahmad's patient records; for the remaining 7, there was no documentation of the prescription in Dr. Ahmad's patient records despite the requirement to record all medications prescribed.)

We reviewed Dr. Ahmad's medical records supporting the 14 fee-for-service and 10 encounter office visit claims. We determined Dr. Ahmad did not maintain patient medical records in a manner that meets the minimum standards as defined by the Physician Policy Guidelines, as previously detailed in the report. Each of the medical records we reviewed contained sparse detail, usually including only the date of the visit, patient vital signs, a basic diagnosis, and the name of prescribed medications. Furthermore, the few details that were documented were illegibly written in the physician's shorthand on blank sheets of paper.

¹ During the course of this audit, our fieldwork was temporarily suspended to avoid interfering with a review by other external oversight authorities.

We provided Department officials with the patient records for the 14 fee-for-service claims we reviewed, and they agreed that the records do not meet Physician Policy Guidelines standards. They noted that Dr. Ahmad's records were illegible, lacked sufficient details to ensure adequate treatment of complex diseases, and contained no treatment plans. Furthermore, they determined the medical record details were not adequate to ensure continuity of care should another physician be required to treat Dr. Ahmad's patients. The following are some Department officials' specific observations:

- In many instances, Dr. Ahmad's patient assessments only contained a diagnosis without any indication of severity or response to treatment and his treatment plans only contained a list of medications, many of which were illegible;
- Dr. Ahmad did not perform tests appropriate for the patients' complex conditions and did not document the rationale for other tests he performed;
- According to the medical records of a patient with HIV, Dr. Ahmad's physical examination of the patient included only a blood pressure check. There is no indication that any other assessments vital to proper treatment were performed. Furthermore, although Dr. Ahmad listed various diagnoses, not all were legible and he didn't document a treatment plan. He also prescribed a number of medications, but these too were illegible;
- For a patient with diabetes, Dr. Ahmad failed to document whether he conducted critical tests for proper assessment and treatment, including blood testing and assessment of neurological status and circulation, including a comprehensive examination of the patient's feet; and
- Dr. Ahmad often used acronyms that are unfamiliar or unclear, adding more uncertainty to records that are already difficult to read.

Given the lack of detail and illegibility of documentation in Dr. Ahmad's medical records, there is little assurance he provided appropriate care and that services warranted Medicaid payment. Moreover, we question whether all of the services Dr. Ahmad billed to the Medicaid program were provided. Additionally, because of the problems with Dr. Ahmad's medical records, as well as the high-risk circumstances (stated previously) under which Dr. Ahmad wrote certain prescriptions, it's unclear whether the medications Dr. Ahmad ordered as a result of the services were actually needed, calling into question the appropriateness of the 137,637 Medicaid pharmacy claims totaling about \$15 million.

For example, for one of the sampled office visits, Dr. Ahmad ordered ten prescriptions totaling \$2,725, including several drugs to treat a serious disease for which the patient did not have a diagnosis, a controlled painkiller, sleep medication, as well as medication to treat high blood pressure. Because of the inadequacy of Dr. Ahmad's medical records, we could not determine if these medications were necessary or related to the patient's treatment plan. During our audit period, for the 13 recipients for whom the Department reviewed the 14 office visit claims, Medicaid paid 3,943 pharmacy claims totaling \$604,559. This included 112 pharmacy claims totaling \$21,379 that resulted directly from the 14 office visits.

We note that some of Dr. Ahmad's Medicaid claims were for services he performed at his Bronx location. The records at this location were more complete as the provider used evaluation forms

that required certain information to be entered. Although Dr. Ahmad's Medicaid claims do not accurately identify the location where a particular service was rendered, the extent of his office hours at the Brooklyn office and interviews with him and his staff indicate the majority of Dr. Ahmad's services were provided at the Brooklyn office.

Subsequent to our audit period, we determined that Dr. Ahmad significantly decreased the number of office visits he billed to the Medicaid program as well as the number of prescription drugs he ordered for Medicaid recipients (see Table 1). Of note, the total number of claims for office visits in 2013 and 2014 was less than half the number of such claims in 2008, 2009, and 2010. Moreover, we question why the number and dollar value of Dr. Ahmad's claims decreased significantly after our audit period ended (on December 31, 2011). For instance, Dr. Ahmad's claims for office visits decreased about 55 percent from 2011 to 2014, from 4,278 to 1,830. Similarly, payments for prescription drugs written by Dr. Ahmad decreased nearly 60 percent from 2011 to 2014, from \$2,082,350 to \$874,609. We believe the decreases could be an indicator that claims submitted by Dr. Ahmad during the audit period are of higher risk of impropriety. The Department should not only review the appropriateness of Dr. Ahmad's Medicaid services and payments, but also determine whether sanctions (including program restrictions or termination) should be taken against Dr. Ahmad.

Table 1

Year	Office Visits		Prescription Drugs	
	Payment Amounts	Number of Claims	Payment Amounts	Number of Claims
2007	\$123,856	3,481	\$2,384,987	21,067
2008	209,437	5,316	4,137,680	31,629
2009	276,538	6,104	3,572,259	32,276
2010	222,788	5,516	2,828,437	29,010
2011	206,785	4,278	2,082,350	23,655
Sub-Totals for Audit Period	\$1,039,404	24,695	\$15,005,713	137,637
2012	164,592	3,050	1,188,941	17,472
2013	153,611	2,503	1,020,070	15,817
2014	131,722	1,830	874,609	13,431
Sub-Totals for Post-Audit Period	\$449,925	7,383	\$3,083,620	46,720
Totals	\$1,489,329	32,078	\$18,089,333	184,357

Recommendations

1. Review the 19,031 Medicaid claims totaling \$712,250 and recover overpayments as appropriate.
2. Review the 5,664 MCO encounter claims totaling \$327,154 and take appropriate corrective action.
3. Determine whether Dr. Ahmad's medical records support the prescriptions Dr. Ahmad wrote and take appropriate corrective action.
4. Determine whether medical sanctions against Dr. Ahmad are warranted.

Audit Scope and Methodology

We audited selected medical records supporting claims processed by the Department to determine whether Dr. Riaz Ahmad complied with applicable Medicaid laws, rules, regulations, and policies and whether Dr. Ahmad's medical records support the services he billed and the prescriptions he wrote. Our audit covered the period January 1, 2007 through December 31, 2011.

To accomplish our audit objectives and assess internal controls, we reviewed relevant Medicaid laws, rules, regulations, and policies pertaining to the adequacy of medical records. We analyzed fee-for-service pharmacy claims for prescriptions written by Dr. Ahmad and selected a judgmental sample of 52 prescriptions to obtain a cross-section of services that contained the high-risk factors noted in the Audit Findings and Recommendations section of the report. We interviewed Dr. Ahmad and his staff and reviewed medical records supporting his Medicaid claims for office visits and the prescriptions he wrote. We provided copies of questionable medical records to Department officials for their review and comment. During the course of this audit, our fieldwork was temporarily suspended to avoid interfering with a review by other external oversight authorities.

We conducted our 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.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members (some of whom have minority voting rights) to certain boards, commissions, and public authorities. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Authority

The audit was performed 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.

Reporting Requirements

We provided a draft copy of this report to Department officials for their review and formal comment. We considered the Department's comments in preparing this report and have included them in their entirety at the end of it. In their response, Department officials stated that the Office of the Medicaid Inspector General (OMIG) commenced an investigation to determine whether Dr. Ahmad engaged in unacceptable practices and whether Medicaid made inappropriate payments. The Department's response further stated that if OMIG's investigation confirms the sanctions against Dr. Ahmad are warranted, the Department will take steps to pursue such actions.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Commissioner of Health shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Contributors to This Report

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Vision

A team of accountability experts respected for providing information that decision makers value.

Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

Agency Comments



ANDREW M. CUOMO
Governor

**Department
of Health**

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

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

September 9, 2015

Ms. Andrea Inman, Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street – 11th Floor
Albany, New York 12236-0001

Dear Ms. Inman:

Enclosed are the Department of Health's comments on the Office of the State Comptroller's Draft Audit Report 2012-S-35 entitled, "Questionable Payments for Practitioner Service and Pharmacy Claims Pertaining to a Selected Physician."

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Sally Dreslin".

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

Enclosure

cc: Michael J. Nazarko
Robert W. LoCicero, Esq.
Jason A. Helgerson
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Robert Loftus
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**Department of Health
Comments on the
Office of the State Comptroller's
Draft Audit Report 2012-S-35 entitled,
Questionable Payments for Practitioner Service and
Pharmacy Claims Pertaining to a Selected Physician**

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Draft Audit Report 2012-S-35 entitled, "Questionable Payments for Practitioner Service and Pharmacy Claims Pertaining to a Selected Physician."

Background

New York State is a national leader in its oversight of the Medicaid Program. Through the efforts of the Department and the Office of the Medicaid Inspector General (OMIG), for 2009 through 2013, New York State alone accounted for 54.9 percent of the national total of fraud, waste, and abuse recoveries. These results reflect a trend of increased productivity and enforcement. For 2011 through 2013, the administration's Medicaid enforcement efforts recovered over \$1.73 billion, a 34 percent increase over the prior three-year period.

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 1,330,000 fragile and low income New Yorkers. Additionally, Medicaid spending per recipient has decreased to \$7,929 in 2013, consistent with levels from a decade ago.

Recommendation #1

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

Recommendation #2

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

Recommendation #3

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

Recommendation #4

Determine whether medical sanctions against Dr. Ahmad are warranted.

Response to Recommendations #1 through #4

At the request of the Kings County District Attorney's (DA) office in December 2013, OMIG assisted with an investigation into the provider identified in this audit. The Kings County DA closed

its case with no findings of criminal activity. Subsequently, OMIG has commenced an investigation to determine if the provider had engaged in unacceptable practices in accordance with 18 NYCRR § 515.2. If this investigation determines Medicaid made inappropriate payments to the provider, actions will be taken to recover those payments. Furthermore, if the investigation reveals that the provider's actions warrant sanctions, steps to this end will be initiated.