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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 30, 2015

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

Re: Improper Payments to a Dentist
Report 2015-F-3

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 (Department) to implement the recommendations contained in our audit report, *Improper Payments to a Dentist* (Report 2012-S-52).

Background, Scope, and Objectives

According to the American Dental Association's Current Dental Terminology, dentists can bill "behavior management" for patients who are developmentally disabled or mentally ill. In these instances, dental staff often must provide additional time, skill, and/or assistance to such patients to render treatment properly. Fees for behavior management are in addition to the normal fees for specific dental procedures. Under New York's Medicaid program, providers are allowed to bill behavior management only for patients who receive ongoing services from community programs operated or certified by the New York State Office for People With Developmental Disabilities.

Medicaid also allows dentists to bill for an "office visit after regularly scheduled hours" when emergency treatment is necessary. Such claims should be limited only to emergency treatments provided between the hours of 10:00 p.m. and 8:00 a.m. The fee for an office visit after regularly scheduled hours is paid in addition to the standard fee(s) for the treatments rendered. Further, Medicaid precludes dentists from claiming an after-hours visit when routine dental care (including evaluation, observation, consultation, or follow-up service) is provided.

Prosper Bonsi, DMD, owns and operates a dental office in Oneonta, New York. Dr. Bonsi began seeing Medicaid patients in June 2009. From June 1, 2009 through September 30, 2012, the Medicaid program paid Dr. Bonsi about \$593,000 for 10,700 claims for dental services he provided. Approximately 2,500 of Dr. Bonsi's claims were for behavior management or after-hours office visits.

Medicaid claims are processed and paid by an automated system called eMedNY. When eMedNY processes claims, they are subject to various automated controls, or edits. The purpose of the edits is to determine whether the claims are eligible for reimbursement and if the amounts claimed for reimbursement are appropriate.

We issued our initial audit report on July 15, 2013. The audit objective was to determine if Medicaid made improper payments for dental claims submitted by Dr. Bonsi. The audit covered the period June 1, 2009 through September 30, 2012. Our initial audit determined that Medicaid paid Dr. Bonsi \$66,402 for 2,361 improper claims. The claims included services for behavior management (in particular, the patients were not eligible for behavior management) and after-hours office visits (most of which were provided during normal office hours). We also determined the Medicaid program had no computer system edits or manual controls to prevent improper payments for behavior management and after-hours office visits. We recommended that the Department recover the overpayments we identified and monitor claims submitted by Dr. Bonsi. We also recommended that the Department implement eMedNY edits or other controls to prevent payment of the improper claims we identified.

The objective of our follow-up was to assess the extent of implementation, as of March 2, 2015, of the three recommendations included in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

Department officials made progress in addressing the problems we identified in the initial audit report. This included monitoring Dr. Bonsi's claims for behavior management and after-hours office visits as well as implementing eMedNY system edits to prevent improper payments on claims for these services. Of the initial report's three audit recommendations, two were implemented and one was partially implemented.

Follow-Up Observations

Recommendation 1

Recover the \$66,402 in payments improperly claimed by Dr. Bonsi, as identified in this report.

Status - Partially Implemented

Agency Action - The Office of the Medicaid Inspector General (OMIG) investigates and recovers improper Medicaid payments on behalf of the Department. OMIG officials informed us Dr. Bonsi opted to pay back the Medicaid program through a repayment plan. Accordingly, in July 2014, OMIG officials contacted the provider and began working to finalize a plan. However, on March 2, 2015, other State oversight officials directed OMIG to suspend further contact with Dr. Bonsi. At the time our audit fieldwork ended, OMIG was still waiting for clearance and, consequently, had not finalized the repayment plan, and none of the \$66,402 in overpayments had been recovered.

Recommendation 2

Actively monitor claims submitted by Dr. Bonsi, particularly those for behavior management and after-hours office visits.

Status - Implemented

Agency Action - As a result of our initial audit, the Department began monitoring claims submitted by Dr. Bonsi. Through these efforts, Dr. Bonsi's claims have decreased and he is no longer billing Medicaid inappropriately. Specifically, since our initial audit report was issued, Dr. Bonsi only submitted 10 claims for behavior management services. These claims were paid only after further review determined they were appropriate. Additionally, Dr. Bonsi has not submitted any claims for after-hours office visits.

Recommendation 3

Develop and implement eMedNY system edits or other controls to preclude payments for improper claims for behavior management and after-hours office visits.

Status - Implemented

Agency Action - In January 2013, the Department implemented eMedNY edits that pend dental claims for behavior management services and after-hours office visits for manual review and adjudication. Between January 1, 2013 and March 2, 2015, 10,938 claims totaling \$346,392 were submitted to the Medicaid program for reimbursement of behavior management services. After a manual review, 1,064 of these claims were denied, saving Medicaid \$35,722. During this same period, 162 claims totaling \$6,953 were submitted for after-hours office visits. After manual review, 21 of these claims were denied, saving Medicaid an additional \$2,076.

Major contributors to this report were Karen Bogucki, Wendy Matson, and Francesca Kent.

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,

Dennis Buckley
Audit Manager

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