



# State of New Jersey

**CHRIS CHRISTIE**  
*Governor*

OFFICE OF THE STATE COMPTROLLER  
MEDICAID FRAUD DIVISION  
P.O. BOX 025  
TRENTON, NJ 08625-0025  
(609) 826-4700

**PHILIP JAMES DEGNAN**  
*State Comptroller*

**KIM GUADAGNO**  
*Lt. Governor*

**JOSH LICHTBLAU**  
*Director*

February 8, 2017

## **BY CERTIFIED AND ELECTRONIC MAIL**

Dr. Mannan Razzak  
Woodland Park Pediatrics  
205 Browertown Road, Suite 001  
Woodland Park, NJ 07424

RE: Final Audit Report (MFD [REDACTED]): Woodland Park Pediatrics and Group Members Mannan Razzak, MD, and Nadia Razzak, MD

Dear Dr. Razzak:

As part of its oversight of the Medicaid and New Jersey FamilyCare (Medicaid/NJFC) program, the New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD) conducted an audit of claims submitted by Woodland Park Pediatrics and its group members, covering the period from July 1, 2011 through July 1, 2016. MFD hereby provides you with the Final Audit Report (FAR) which includes MFD's findings and your response.

### **Executive Summary**

This audit entailed the review of instances where Woodland Park Pediatrics and its group members billed separately and received payment for Comprehensive Preventive Medicine Evaluation and Management services and Preventive Counseling Services on the same day for the same recipients. These billings are not consistent with the American Medical Association's (AMA) Current Procedural Terminology (CPT) code guidelines, which require that such services be billed together in a bundled manner. Pursuant to the New Jersey Administrative Code (N.J.A.C.) 10:54-9.1, Medicaid uses the Centers for Medicare and Medicaid Services (CMS) Healthcare Common Procedure Coding System (HCPCS), which follows the AMA's CPT guidelines.

Based on the audit, MFD determined that Woodland Park Pediatrics and its group members were overpaid for Counseling and Comprehensive Services for which MFD requests reimbursement of \$60,379.08 for 2,027 claims improperly billed and paid. According to the relevant CPT guidelines,

Woodland Park Pediatrics and its group members billed for providing Preventive Counseling Services in addition to Comprehensive Preventive Medicine Evaluation and Management (E/M) services for the same recipients, on the same day. These services should have been billed together in a bundled manner when seeking payment from the Medicaid/NJFC program. As a result, Woodland Park Pediatrics and its group members were overpaid for the separately billed services.

### **Background**

The AMA's CPT code guidelines designate service codes 99381 through 99429 for the billing of Comprehensive Preventive Medicine Services Evaluation and Management (E/M). Proper service codes for Preventive Medicine Services for Counseling (Counseling) are 99401 through 99412. E/M codes are for comprehensive services which include patient history, examination, and medical decision making. Codes for Counseling are used for areas such as family problems, diet and exercise. Under these guidelines, when a provider seeks payment from the Medicaid/NJFC program, these two services should be billed together in a bundled manner when the service is provided to the same recipient on the same day.

The State's contract between the New Jersey Department of Human Services Division of Medical Assistance and Health Services (DMAHS) and the Managed Care Organizations (MCOs) requires the MCOs and their providers to adhere to applicable New Jersey laws and regulations. Among the statutes and regulations to which providers must adhere are the AMA's standards relating to billing and coding referenced in State regulations and used during this audit.

### **Objective**

The objective of the audit was to evaluate claims billed by Woodland Park Pediatrics and its group members to determine whether the claims complied with State and federal requirements. The audit was conducted under the guidelines established by the American Medical Association's (AMA) Current Procedural Terminology (CPT).

### **Scope**

The scope of this audit entailed a review, discussion and evaluation of billings for claims where CPT codes for Preventive Counseling (99401 through 99412) were unbundled from Comprehensive Preventive Medicine E/M CPT codes (99381 through 99429) and were billed on the same day for the same recipients. The audit period was July 1, 2011 through July 1, 2016. The audit was conducted under the authority of the Medicaid Program Integrity and Protection Act, N.J.S.A.30:4D-53 et seq. and 52:15C-23.

## **Audit Findings**

### **Incorrect Billing of CPT Codes**

MFD identified 2,027 Medicaid claims submitted by Woodland Park Pediatrics and its group members totaling \$60,379.08 for Preventive Counseling Services, CPT codes 99401 and 99402 that were unbundled and billed separately along with Preventive Medicine E/M, CPT 99381 through 99385 and 99391 through 99395 for the same recipients, on the same day.

Pursuant to the AMA's CPT code guidelines, for claim submission purposes, Preventive Counseling CPT codes (99401 through 99412) are included in Comprehensive Preventive Medicine E/M CPT codes (99381 through 99387 and 99391 through 99397) and, accordingly, should not be billed separately from those codes. Woodland Park Pediatrics and its group members improperly unbundled Preventive Counseling codes from Comprehensive Preventive Medicine E/M codes and billed these codes separately when they should have been billed together. Consequently, Woodland Park Pediatrics and its group members were overpaid a total of \$60,379.08.

### **Recommendations**

MFD recommends that Woodland Park Pediatrics and its group members reimburse Medicaid/NJFC a total of \$60,379.08 for Preventive Counseling Services billed contrary to AMA guidelines. Also, MFD recommends that Woodland Park Pediatrics and its group members provide training to its staff and, should it later use outside parties, guidance to its outside billing contractor, to foster compliance with regulations. Finally, MFD recommends that Woodland Park Pediatrics and its group members remain current with coding and billing guidelines offered by the AMA and periodically check with payers for specific coverage guidance.

### **Woodland Park Pediatrics' Response**

In its written response, Woodland Park Pediatrics and its group members agreed with the audit findings and provided a Corrective Action Plan to address the audit's recommendations. Woodland Park Pediatrics also described the specific steps it has taken or will take to implement the recommendations made in the audit report. The full text of Woodland Park Pediatrics' written response is included in Appendix A to this report.

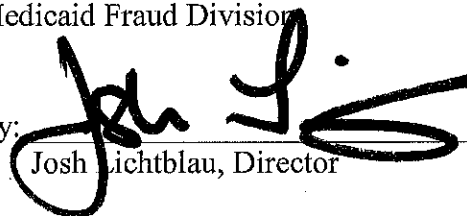
### **OSC's Comments**

OSC appreciates that Woodland Park Pediatrics agreed to reimburse the Medicaid program \$60,379.08 and provided a Corrective Action Plan that described the steps it has taken or will take to correct the findings identified in the audit. Therefore, no further action is necessary with respect to this audit.

Sincerely,

OFFICE OF THE STATE COMPTROLLER  
Medicaid Fraud Division

By:



Josh Lichtblau, Director

JL/mmm

Enc.

cc: Kay Ehrenkrantz, Deputy Director  
Michael McCoy, Manager of Fiscal Integrity  
Michael Morgese, Audit Supervisor  
Glenn Geib, Recovery Supervisor

February 2, 2017

Michael M. Morgese  
Audit Supervisor  
Medicaid Fraud Division

Re: Draft Audit Report (MFD [REDACTED])

Dear Mr. Morgese,

Woodland Park Pediatrics (WPP) and its group members have received the Draft Audit Report and have had the opportunity to review its findings. The audit determined WPP and its group members improperly billed Medicaid/NJFC for Preventive Counseling Services using codes 99401-99412 during the Comprehensive Preventive Medicine Evaluation and Management Services. After review, we are in agreement with your findings.

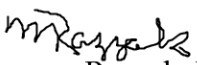
#### Background

WPP is a pediatric medical practice with 2 member physicians. We opened our doors in 2010 to zero patients to provide pediatric medical care to the surrounding community. We decided to provide excellent, personalized and compassionate care for our patients and not treat our patients like numbers on an assembly line. Both of our pediatricians completed a 3 year pediatric residency at New Jersey Medical School with training at University Hospital and Hackensack University Medical Center. I am the practice administrator. After residency, I worked at multiple hospitals as a pediatric emergency room physician. During my nine years in these hospitals there were 2-3 billing and coding sessions and none of those sessions included outpatient billing and coding. I had read multiple books on opening a medical practice prior to WPP opening its doors. I visited several colleagues' pediatric medical practices and inquired about billing and coding. My knowledge on this topic was obtained through these experiences. Physicians graduate from residency with zero knowledge of medical billing and coding. At no time did WPP and its member physicians knowingly submit false claims for payment. We did not have the knowledge that our actions were improper. Our outsourced billing company also did not knowingly submit false claims. I wish this error would have been brought to our attention sooner. We became pediatricians because of our passion and love to care and serve our patients. We continue to educate ourselves in our clinical field and will be awarded the AMA Physician's Recognition Award 2016 for commitment to patient care through continuing medical education (CME).

#### Corrective Action Plan

WPP, its member physicians and billing company effectively stopped using the Preventive Counseling Service codes the moment Mr. Morgese's office brought this billing error to our attention. We have reviewed the American Academy of Pediatrics (AAP) manual on Coding for Pediatric Preventive Care 2016 and AMA guideline and have removed the CPT code 99401 in conjunction with Comprehensive Preventive Medicine Evaluation and Management Services in our billing system. We will remain current with coding and billing guidelines through CME opportunities through the AMA and AAP.

Sincerely,

  
Mannan Razzak, MD, FAAP  
Woodland Park Pediatrics