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OSC Medicaid Fraud Division Announces \$2.89 Million Overpayment Settlement

TRENTON – State Comptroller Philip James Degnan today announced a \$2,896,207 settlement agreement between Newark Beth Israel Medical Center (NBIMC) and the Office of the State Comptroller, Medicaid Fraud Division (MFD) over improper billings by NBIMC for echocardiograms. As a part of the settlement, NBIMC has agreed to repay the Medicaid program the entire amount in a lump-sum, and discontinue the conduct that led to the overpayment.

MFD investigators determined that between January 2, 2013 and September 28, 2017, NBIMC submitted claims to Medicaid for congenital echocardiograms that were not supported by proper documentation. NBIMC had been incorrectly submitting “Current Procedure Terminology” codes (CPTs) intended to be used when congenital heart disease has been confirmed by the testing conducted, but the tests conducted by NBIMC for which it submitted claims did not confirm a congenital heart condition. NBIMC’s continued submission of these codes over the period reviewed by MFD resulted in an overpayment to NBIMC by the Medicaid program in the amount of \$2,896,207.

Terms of the agreement require NBIMC to repay the Medicaid program for the total overpayment amount in one lump-sum on or before June 15, 2019. NBIMC also agreed to fully comply with all applicable state and federal rules and regulations, including only submitting claims for which it has sufficient documentary support. NBIMC further agreed to implement corrective policies to ensure that the underlying issues leading to this overpayment will be properly addressed.

In announcing this settlement agreement, State Comptroller Degnan lauded the work of the MFD. “This settlement is plainly significant for the sheer amount of public funds it recovers and puts back into the Medicaid system,” Degnan said, “but the public gains more than just money.” Degnan continued, “The terms of this settlement serve as a road map for other

healthcare providers in the state to ensure that they are employing proper billing practices, thereby avoiding future overpayments.”

MFD serves as the state’s independent watchdog for New Jersey’s Medicaid program and works to ensure that the state’s Medicaid dollars are spent effectively and efficiently. As part of its oversight role, MFD audits and investigates health care providers, managed care organizations and Medicaid recipients to identify and recover improperly expended Medicaid funds and identify and redress quality of care issues affecting the health of Medicaid recipients. In addition to this settlement’s recovery, through May of this state fiscal year MFD has recovered \$11,574,352 in Medicaid funds through its investigations and audits.

OSC is an independent state agency that conducts audits and investigations of government agencies throughout New Jersey. The Office also reviews certain government contracts and works to detect and prevent Medicaid Fraud. The Office strives to enhance the efficiency and transparency of government and to ensure that public funds are spent effectively and efficiently.

Suspected government mismanagement or fraud can be reported to OSC by calling 1-855-OSC-TIPS (1-855-672-8477) or via email at comptrollertips@osc.nj.gov. Suspected Medicaid fraud can also be reported to MFD by calling 1-888-937-2835.

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Click [here](#) to view the complete Settlement Agreement.

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