

# State of New Jersey

**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lt. 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*

**JOSH LICHTBLAU**  
*Director*

December 2, 2016

## **BY CERTIFIED AND ELECTRONIC MAIL**

Khalid Sawaged, D.O.  
671 Mount Prospect Ave.  
Newark, NJ 07104

RE: Final Audit Report – Khalid Sawaged, DO (Medicaid-2015-00154)

Dear Dr. Sawaged:

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 under your Medicaid Provider Identification [REDACTED] covering the period from July 6, 2011 to July 11, 2016. This Final Audit Report (FAR) includes OSC's findings and your response.

### **Executive Summary**

This audit entailed the review of anomalous claim billings, where Comprehensive Preventive Medicine Evaluation and Management services and Preventive Counseling Services were billed separately on the same day for the same recipients. These billings are not consistent with guidelines established by 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.

During this audit, MFD determined that you were overpaid for Counseling and Comprehensive Services for which MFD requests reimbursement of \$43,583.78 for 1,192 claims improperly billed and paid. According to the relevant CPT guidelines, you 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, you 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, requires adherence to applicable New Jersey (NJ) laws and regulations which include adherence to the AMA's standards, including billing and coding, referenced in NJ regulations and used during this audit.

The MFD's Data Mining Unit (DMU) uses a variety of analytical tools and data mining techniques to identify providers for audits. The DMU looks for unusual patterns or anomalies in claim reimbursement to providers and refers cases to the MFD's Audit or Investigations Units for further analysis. Once the anomalies are identified, Audit will determine whether an overpayment was made.

Khalid Sawaged, D.O., (Dr. Sawaged) was referred to the Audit Unit for review. The referral was the result of a data analytic review performed by the DMU to determine whether, in contravention of the AMA CPT guidelines, Dr. Sawaged improperly billed and received payments for both Preventive Comprehensive Medicine E/M Service codes and Preventive Counseling Service codes for services performed on the same day to the same recipients. Dr. Sawaged enrolled in the Medicaid/NJFC program and became a Medicaid provider effective June 1, 1998.

### **Objective**

The objective of the audit was to evaluate claims billed by Dr. Sawaged to determine compliance with State and Federal Regulations. The audit was conducted under the guidelines established by the AMA CPT code guidelines.

### **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 6, 2011 through July 11, 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 1,192 claims totaling \$43,583.78 for Preventive Counseling Services, CPT code 99402 that were unbundled and billed separately in addition to Preventive Medicine E/M, CPT codes 99384 through 99387 and 99394 through 99397 for the same recipients, on the same day.

Pursuant to the AMA's CPT code guidelines, 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 should not be billed individually. Consequently, Dr. Sawaged was overpaid \$43,583.78.

### **Recommendations**

MFD recommends that Dr. Sawaged reimburse Medicaid/NJFC a total of \$43,583.78 for Preventive Counseling Services that were not billed in accordance with AMA guidelines. Also, MFD recommends that Dr. Sawaged provide training to his staff or guidance to its outside billing contractor to foster continued compliance with regulations. In addition, Dr. Sawaged should stay current with coding and billing guidelines offered by the AMA and periodically check with payers for specific coverage guidance.

### **Dr. Sawaged Response**

"I am in receipt of the audit findings and I am not in disagreement. The funds that were inadvertently overpaid will be refunded and the appropriate steps have been taken as per your recommendations. The billing company has been advised and the coding and billing guidelines put out by the AMA have been reviewed. We will stay current with these guidelines and consult with the insurance companies from time to time as needed."

Dr. Sawaged's response is included as Appendix A.

### **OSC Comments**

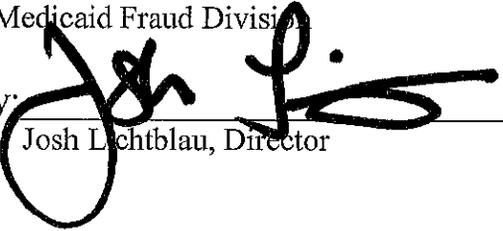
In his response, Dr. Sawaged agreed with the MFD's audit findings and recommendations. Based upon Dr. Sawaged's agreement to reimburse Medicaid/NJFC \$43,583.78 and the steps he has taken to implement the audit's recommendations, no further action is necessary.

Khalid Sawaged, D.O.  
December 2, 2016

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

**Office of the New Jersey State Comptroller  
Medicaid Fraud Division  
Email Response From Dr. Khalid Sawaged – Dated November 16, 2016  
MFD2015-00154**

---

-----Original Message-----

From: Khalid And Nancy [mailto: [REDACTED]]  
Sent: Wednesday, November 16, 2016 3:47 PM  
To: Malik, Mohammad < [REDACTED] >  
Subject: Re: Dr. Sawaged

Please use the following.

I am in receipt of the audit findings and I am not in disagreement. The funds that were inadvertently overpaid will be refunded and the appropriate steps have been taken as per your recommendations. The billing company has been advised and the coding and billing guidelines put out by the AMA have been reviewed. We will stay current with these guidelines and consult with the insurance companies from time to time as needed.

Thank you.