



# State of New Jersey

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November 30, 2015

## VIA CERTIFIED AND ELECTRONIC MAIL

Dr. Pratibha Deshmukh, President  
DP Pediatrics, LLC.  
142 Totowa Road, Suite #8  
Totowa, NJ 07512

RE: FINAL AUDIT REPORT – DP PEDIATRICS, LLC

Dear Dr. Deshmukh:

As part of its oversight of the Medicaid and New Jersey FamilyCare programs (Medicaid), the Office of State Comptroller's Medicaid Fraud Division (OSC) conducted a limited scope desk audit of DP Pediatrics, LLC (DP Pediatrics). We are providing you a copy of our Final Audit Report for your review. The following summarizes our results:

### **Executive Summary**

The audit entailed the review of apparent anomalous claim billings, where Preventive Medicine Evaluation and Management (E/M) 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 in a bundled manner. Pursuant to the New Jersey Administrative Code (NJAC) 10:54-9.1, Medicaid utilizes the Centers for Medicare and Medicaid Services

(CMS) Healthcare Common Procedure Coding System (HCPCS), which follows the AMA's CPT guidelines.

During this audit, OSC determined that the provider was overpaid for Preventive Counseling Services with a potential reimbursement to Medicaid for 1,671 claims totaling \$47,338.69. The overpayment is attributed to instances where OSC noted that Preventive Counseling Services were billed separately from the Comprehensive Preventive Medicine Evaluation and Management (E/M) HCPCS codes for the same recipients, on the same day, when, according to the relevant CPT guidelines, these services were supposed to have been billed together in a bundled manner.

### **Background**

Pursuant to the AMA's CPT code guidelines, Preventive Medicine Services are represented in E/M service codes 99381 – 99429. This audit reviewed billings for the Preventive Medicine E/M services identified by CPT codes 99381 – 99387 and 99391 – 99397. These E/M CPT codes are for comprehensive services which are generally age-specific and may be reported by any qualified physician or other qualified healthcare professional for both new and established patients.

This audit also entailed a review of billings for Preventive Medicine Services for Counseling identified by CPT codes 99401 – 99412. These CPT codes are used to report Individual Counseling Services in areas such as family problems, diet and exercise, at an encounter separate from the Preventive Medicine examination. The review identified recipients who received individual counseling services in addition to and separate from the comprehensive, preventative E/M services, on the same day.

Physician practice regarding the delivery and billing of same-day Preventive Medicine Services and the aforementioned outpatient problem-oriented services during the course of a comprehensive examination by the same physician, may be subject to third-party payer payment policies. For the purpose of this audit, third-party payers and payment policies refer to Managed Care Organizations (MCOs) that the State of New Jersey (State) contracts to oversee the services rendered to Medicaid recipients.

The blanket contract between the DMAHS and the MCOs requires adherence to applicable New Jersey (NJ) laws and regulations which include adherence to the AMA's standards referenced in NJ regulations and used during this audit. The current AMA CPT Preventive Medicine Coding guidelines for billing the services under review require that modifier 25 must be added to indicate that a separate, significant, identifiable Evaluation

and Management Service was provided by the same physician. In addition, the separate Preventive Medicine Service must be reported.

DP Pediatrics was selected for a limited scope review to determine whether, in contravention of the AMA CPT guideline, it had unbundled services and billed and received payments for both the Preventive Medicine E/M Service codes and Preventive Counseling Service codes previously described above, for services performed on the same day.

Although this is a pediatric provider, OSC determined that the American Academy of Pediatrics follows the AMA's CPT guidelines for the codes identified.

### **Objective**

The objective of this desk audit is to determine whether DP Pediatrics, Provider ID [REDACTED], is appropriately billing for Preventive Counseling services in accordance with applicable NJ regulations and guidance from the respective MCOs.

### **Scope**

The scope of this desk review entailed a limited review, discussion and evaluation of billings for claims where CPT codes for Preventive Counseling 99401 – 099412 were unbundled from Preventive Medicine E/M CPT codes 99381 – 99387 and 99391 – 99397 and were billed on the same day for the same recipients. The period of our review is July 1, 2011 through November 12, 2014. The review is 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 Finding (Encounter Claims)**

#### **Billing Outside AMA Guidelines**

Pursuant to the AMA's CPT code guidelines, Preventive Counseling, CPT codes 99401 – 99412, are included in comprehensive Preventive Medicine E/M, CPT codes 99381 – 99387 and 99391 – 99397.

OSC identified 1,671 paid encounter claims totaling \$47,338.69 for Preventive Counseling Services, CPT codes 99401, 99402, and 99406 that were unbundled and billed in addition to Preventive Medicine E/M, CPT codes 99381 – 99384, and 99391 – 99395 totaling \$134,595, for the same recipients, on the same day.

OSC seeks the recovery of \$47,338.69 from DP Pediatrics for Preventive Counseling Services that were not billed in accordance with AMA guidelines.

**Recommendation**

OSC recommends training for the provider’s billing personnel to foster continued compliance. In addition, the provider should stay current with coding and billing guidelines offered by the AMA and periodically check with payers for specific coverage guidance.

**Provider’s Response**

The provider concurred with the OSC finding and has agreed to pay the full overpayment of \$47,338.69 to the Medicaid program.

Sincerely,

OFFICE OF THE STATE COMPTROLLER  
Medicaid Fraud Division

By:   
Josh Lichtblau, Director

JL/dmd

Enc.

cc: Michael McCoy, Manager of Fiscal Integrity