



# State of New Jersey

**CHRIS CHRISTIE**  
*Governor*

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*Lt. Governor*

OFFICE OF THE STATE COMPTROLLER  
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**PHILIP JAMES DEGNAN**  
*State Comptroller*

**JOSH LICHTBLAU**  
*Director*

June 8, 2017

## **BY ELECTRONIC and US MAIL**

Dr. Iftikhar Chaudhry  
IC Laser Eye Care, Inc.  
1725 Klockner Road  
Hamilton Square, NJ 08690

RE: Final Audit Report:  
(1) Dr. Iftikhar Chaudhry  
(2) IC Laser Eye Care, Inc.

Dear Dr. Chaudhry:

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] and your facility's Medicaid Provider Identification # [REDACTED] covering the period from July 1, 2011 through December 31, 2016. MFD hereby provides you with the Final Audit Report (FAR) which includes MFD's findings and your response.

### **Executive Summary**

MFD identified and reviewed instances where you and IC Laser Eye Care, Inc. billed separately and received payment for Evaluation and Management (E&M) service codes and General Ophthalmological service codes provided on the same day for the same recipients. These billings are not consistent with the New Jersey Administrative Code (*N.J.A.C.*) 10:62-3.4, National Correct Coding Initiative Policy Manual (NCCI), and 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 *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 found that you and IC Laser Eye Care, Inc. improperly submitted claims for General Ophthalmological services separately from to E&M services for the same recipients, on the same day when such claims should have been bundled or billed together. Through unbundling claims that should have been bundled, you and IC Laser Eye Care, Inc. improperly submitted 634 claims for which

you and IC Laser were paid \$34,838.11. MFD is seeking reimbursement of the amount that you and IC Laser Eye Care, Inc. were overpaid, \$34,838.11.

## **Background**

The AMA's CPT code guidelines designate service codes 99201 through 99215 for E&M services. According to the CPT, the service codes for General Ophthalmological service are 92002 through 92014. E&M codes are for comprehensive services which include patient history, examination, and medical decision making. Codes for General Ophthalmological service are used for areas such as examination and evaluation with initiation of diagnostic and treatment program. Under these guidelines, when a provider seeks payment from the Medicaid/NJFC program, these two services (E/M and General Ophthalmological service) should be billed together in a bundled manner when the service is provided to the same recipient on the same day.

As a condition of participation, Medicaid providers are required to adhere to all applicable state and federal laws. Similarly, the state contract, between the New Jersey Department of Human Services Division of Medical Assistance and Health Services (DMAHS), and the Managed Care Organizations (MCO), requires MCOs and their providers to adhere to the applicable New Jersey laws and regulations. One regulatory requirement is that providers must adhere to the AMA's standards, including the cited billing and coding requirements that were used during this audit.

## **Objective**

The objective of the audit was to evaluate claims billed by you and IC Laser Eye Care, Inc. to determine compliance with state and federal regulations. The audit was conducted under the guidelines established by the AMA's CPT code guidelines.

## **Scope**

The scope of this audit entailed a review, discussion and evaluation of billings for claims where CPT codes for General Ophthalmological services (CPT codes 92004 & 92014) were unbundled from E&M service CPT codes (CPT codes 99202 through 99204 & 99212 through 99214) and were billed for the same date of service and the same recipients. The audit period was July 1, 2011 through December 31, 2016. The audit was conducted under the authority of *N.J.S.A. 52:15C-23* and the Medicaid Program Integrity and Protection Act, *N.J.S.A.30:4D-53 et seq.*

## **Audit Findings**

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

MFD identified 634 Medicaid claims submitted by you and IC Laser Eye Care, Inc. totaling \$34,838.11 for General Ophthalmological services, CPT codes 92004 and 92014 that were unbundled and billed separately along with E&M services, CPT codes 99202 through 99204 & 99212 through 99214 for the same recipients, on the same day.

Pursuant to *N.J.A.C. 10:62-3.4*, CPT codes 99201 through 99215 shall not be reimbursable with CPT codes 92002 through 92014. In addition, per NCCI policy when E&M service codes are reported, General Ophthalmological service codes should not be reported separately. Also, pursuant to the AMA's CPT code CPT codes (92004 and 92014) are included in E&M CPT codes (99202 through 99204 & 99212 through 99214) and, accordingly, should not be billed separately from those codes. You and IC Laser Eye Care, Inc. improperly unbundled General Ophthalmological codes from E&M and billed these codes separately

Dr. Iftikhar Chaudhry  
IC Laser Eye Care, Inc.

when they should have been billed together. Consequently, you and IC Laser Eye Care, Inc. improperly submitted claims and were overpaid a total of \$34,838.11.

**Recommendations**

MFD recommends that you and IC Laser Eye Care, Inc. reimburse Medicaid/NJFC a total of \$34,838.11 for General Ophthalmological services billed contrary to *N.J.A.C. 10:62-3.4*, NCCI manual policy and the AMA's guidelines. Also, MFD recommends that you and IC Laser Eye Care, Inc. provide training to your staff or guidance to your outside billing contractor to foster compliance with regulations. Finally, MFD recommends that you and IC Laser Eye Care, Inc. remain current with coding and billing guidelines offered by the AMA and periodically check with payers for specific coverage guidance.

**Dr. Iftikhar Chaudhry and IC Laser Eye Care, Inc. Response**

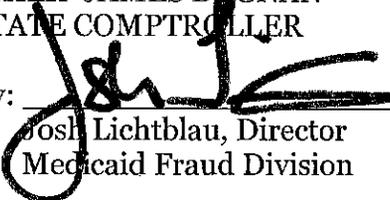
In their written response, Dr. Chaudhry and IC Laser Eye Care, Inc. agreed with the audit findings and provided a Corrective Action Plan to address the audit's recommendations. Dr. Chaudhry and IC Laser Eye Care, Inc. also described the specific steps it has taken or will take to implement the recommendations made in the audit report. The full text of Dr. Chaudhry and IC Laser Eye Care, Inc. response is included as an Appendix to this report.

**OSC Comments**

OSC appreciates that you and IC Laser Eye Care, Inc. agreed to reimburse the Medicaid program \$34,838.11 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,

PHILIP JAMES D'IGNAN  
STATE COMPTROLLER

By:   
Josh Lichtblau, Director  
Medicaid Fraud Division

JL/mmm  
Enc.

Cc: Don Catinello, Supervising Regulatory Officer  
Glenn Geib, MFD Recovery Supervisor

June 5, 2017

ATTN: State of New Jersey

In response to your letter dated May 18, 2017, IC Laser Eye Care has already put in to action a corrective action plan. We have initiated biweekly meetings with all optical and billing staff to correct any billing issues between optical and medical billing. We will be staying current with AMA guidelines on billing and coding. We will reimburse Medicaid the amount indicated in the letter as soon as we are instructed how to do so.

Sincerely,

Iftikhar Chaudhry MD  
President and CEO IC Laser Eye Care