



# State of New Jersey

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*Lt. Governor*

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

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*Director*

June 8, 2017

## **BY ELECTRONIC and US MAIL**

Dr. Fouad Rasheed  
Future Pediatrics Group  
1414 Main Ave.  
Clifton, NJ 07011

RE: Final Audit Report:

- 1) Future Pediatrics Group
- 2) Dr. Fouad Rasheed

Dear Dr. Rasheed:

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 Future Pediatrics Group billed separately and received payment for Comprehensive Preventive Medicine Evaluation and Management services (E/M) and Preventive Counseling Services provided 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 found that you and Future Pediatrics Group improperly submitted claims for Preventive Counseling Services separately from Comprehensive Preventive

Medicine E/M services for the same recipients on the same date of service when such claims should have been bundled or billed together. Through unbundling claims that should have been bundled, you improperly submitted 1,663 claims for which you were paid \$48,358.76. MFD is seeking reimbursement of the amount that you were overpaid, \$48,358.76.

## **Background**

The AMA's CPT code guidelines designate service codes 99381 through 99429 for Comprehensive Preventive Medicine Services E/M. According to the CPT, the 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 (E/M and Counseling) 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 the MCOs and their providers to adhere to 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 Future Pediatrics Group 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 Preventive Counseling (99401 through 99412) were unbundled from Comprehensive Preventive Medicine E/M CPT codes (99381 through 99429) 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 1,663 Medicaid claims submitted by you and Future Pediatrics Group totaling \$48,358.76 for Preventive Counseling Services, CPT codes 99401 and 99402 that were unbundled and billed separately along with Preventive Medicine E/M, CPT codes 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. You and Future Pediatrics Group 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, you and Future Pediatrics Group improperly submitted claims and were overpaid a total of \$48,358.76.

### **Recommendations**

MFD recommends that you and Future Pediatrics Group reimburse Medicaid/NJFC a total of \$48,358.76 for Preventive Counseling Services billed contrary to AMA guidelines. Also, MFD recommends that you and Future Pediatrics Group provide training to your staff or guidance to your outside billing contractor to foster compliance with regulations. Finally, MFD recommends that you and Future Pediatrics Group remain current with coding and billing guidelines offered by the AMA and periodically check with payers for specific coverage guidance.

### **Dr. Fouad Rasheed and Future Pediatrics Group Response**

In their written response, Dr. Fouad Rasheed and Future Pediatrics Group agreed with the audit findings and provided a Corrective Action Plan to address the audit's recommendations. Dr. Rasheed and Future Pediatrics Group 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. Rasheed and Future Pediatrics Group's response is included as an Appendix to this report.

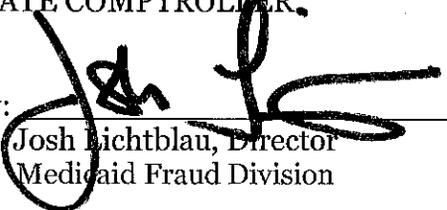
### **OSC Comment**

OSC appreciates that you and Future Pediatrics Group agreed to reimburse the Medicaid program \$48,358.76 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 DEGNAN  
STATE COMPTROLLER

By:

  
Josh Nichtblau, Director  
Medicaid Fraud Division

JL/mmm

Enc.

Cc: Alex J. Keoskey, Esquire  
Don Catinello, Supervising Regulatory Officer  
Glenn Geib, MFD Recovery Supervisor

[REDACTED]

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**From:** Alex J. Keoskey <AKEoskey@decotiislaw.com>  
**Sent:** Friday, June 02, 2017 3:55 PM  
**To:** Sanjeev Bassi; Cindy L. Groux  
**Cc:** Catinello, Don; McCoy, Michael; Morgese, Michael  
**Subject:** RE: Future Pediatrics Group / Provider IDs: [REDACTED]

Sanjeev:

Please accept this e-mail communication as our response, on behalf of Future Pediatrics, to the Medicaid Fraud Divisions' draft audit.

As stated previously, we do not contest the findings of your audit. However, we would ask that you consider several factors in assessing outcomes with regard to Future Pediatrics (the "Practice").

First, this is clearly a case of administrative inadvertence, rather than fraud or intentional misrepresentation by the Practice. There is no evidence that anyone at the Practice intentionally miscoded in order to generate surreptitious income. It is noteworthy that the Practice utilized a third party billing company and relied on that contractor to "flag" any billing irregularities or mistakes. While this is certainly not the optimum methodology for ensuring coding and billing compliance, it does speak to the sincere efforts of the part of the Practice to code and bill all procedures within the light of scrutiny, rather than under the cloak of secretiveness and subterfuge.

Second, it should be noted that the Practice has no prior adverse history with Medicaid. Thus, this matter does not involve any pattern or practice designed to defraud or mislead. Rather, the problem appears to be lack of a comprehensive 7-point compliance program pursuant to OIG guidelines. Accordingly, we intend to work with our consultant, Health Care Practice Management, Dr. Rasheed and the third party billing company to ensure that preventive measures are formulated and employed in the Practice in order to ensure that such billing mistakes are not repeated. We will of course focus on CPT 99401 and other bundle codes, but will not limit the compliance plan to these codes. We of course welcome any input from the Medicaid Fraud Division regarding these measures.

While it is understood that the Practice will be expected to reimburse Medicaid, given the limited resources of the Practice and its good faith efforts to resolve these issues, we would hope that some type of compromise could be reached with regard to payment obligations.

Thank you for your courtesies in this matter. I look forward to discussing this further at your convenience.

**Alex J. Keoskey, Esq.**

*Certified by the N.J. Supreme Court as a Civil Trial Attorney*

*Certified by AAPC as a Professional Health Compliance Officer*

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