



State of New Jersey

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OFFICE OF THE STATE COMPTROLLER
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Director

August 16, 2016

VIA ELECTRONIC AND CERTIFIED MAIL

Mr. Douglas Zehner
Senior Vice President, Chief Financial Officer
Newark Beth Israel Medical Center
201 Lyons Avenue
Newark, NJ 07112

RE: Final Audit Report – Newark Beth Israel Medical Center ([REDACTED])

Dear Mr. Zehner:

As part of its oversight of the Medicaid and New Jersey FamilyCare (Medicaid/NJFC) programs, the New Jersey Office of the State Comptroller, Medicaid Fraud Division (OSC), conducted an audit of Newark Beth Israel Medical Center (NBIMC). We are providing you with the final audit report.

Executive Summary

The audit focused on a review of apparent anomalous claim billings for an unlisted radiological procedure. Current procedural terminology (CPT) code 76499 was primarily used to report digital mammography breast tomosynthesis services. NBIMC's billings for digital breast tomosynthesis were not consistent with guidelines established by the Centers for Medicare and Medicaid Services (CMS). The billing of CPT code 76499 was prohibited for this service by CMS during the period for which we seek recovery.

During this audit, OSC determined that NBIMC was overpaid and should reimburse Medicaid/NJFC \$25,966.66, for all CPT 76499 claims paid in 2014 for digital breast tomosynthesis services. The overpayment is attributed to NBIMC's delay in implementing billing procedures that were consistent with CMS' guidelines. Based on CMS' guidelines, NMBIC should not have billed CPT code 76499 for breast tomosynthesis for Medicaid recipients in 2014.

Mr. Douglas Zehner,
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Background

NBIMC is part of the Barnabas Health System and was established in 1901 and enrolled in the Medicaid program in 1970. This facility is located in Newark, New Jersey and primarily serves the Essex County area. Its Breast Center provides the women and men with expanded breast health services. Based on Medicaid claims data, OSC determined that NBIMC had a volume of claims billed as CPT code 76499. On that basis, OSC determined that an audit was warranted.

Objective

The objective of this audit was to determine whether NBIMC billed CPT code 76499 appropriately. 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.

Scope

The scope of this review entailed a discussion and evaluation of NBIMC's fee-for-service, encounter, and Charity Care billings for CPT code 76499 for compliance with applicable New Jersey and federal regulations and guidelines. The audit period was January 1, 2012 through December 31, 2014.

Audit Findings

OSC determined that for the period under review, NBIMC billed Medicaid/NJFC and was paid for 373 claims totaling \$25,966.66 for digital breast tomosynthesis in 2014, in contravention of New Jersey regulations and CMS' guidance regarding CPT code 76499, which disallowed these services. The OSC seeks to recover this amount in full.

Recommendations

OSC recommends that NBIMC reimburse Medicaid/NJFC a total of \$25,966.66 for claims paid for digital breast tomosynthesis with CPT code 76499 for the year 2014. In addition, OSC recommends that the provider stay current with applicable CPT and billing guidance and update its billing policies and practices to meet current regulatory requirements.

Auditee Response

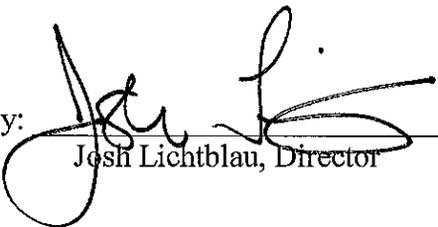
NBIMC's Senior Vice President agreed with OSC's finding and stated that "NBIMC will reimburse \$25,966.66 to the Medicaid program for paid claims for digital breast tomosynthesis with CPT code 76499 for the year 2014." NBIMC's Senior Vice President further stated that "NBIMC eliminated the use of CPT 76400 in 2014. NBIMC has modified its policies and practices to ensure that all CMS and Novitas alerts are collected centrally, assessed and incorporated into

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charging and coding procedures.” Finally, to ensure that this type of error does not recur, NBIMC’s Senior Vice President advised that “information is disseminated to all departments to educate and implement any change at the site of service.” The full text of NBIMC’s response is attached as an Addendum to this report.

Sincerely,

OFFICE OF THE STATE COMPTROLLER
Medicaid Fraud Division

By: 
Josh Lichtblau, Director

Attachment

Cc: Don Catinello, Supervisor Regulatory and Recovery
Michael McCoy, Manager Fiscal Integrity
Michael Morgese, Audit Supervisor

Newark Beth Israel | RWJBarnabas Medical Center HEALTH

Darrell K. Terry, Sr., MHA, MPH, FACHE
President and Chief Executive Officer

July 6, 2016

VIA ELECTRONIC MAIL

Mr. Asad Mamun
Office of the State Comptroller
Medicaid Fraud Division
PO Box 025
Trenton, NJ 08625-0025

RE: Draft Audit Report – Newark Beth Israel Medical Center

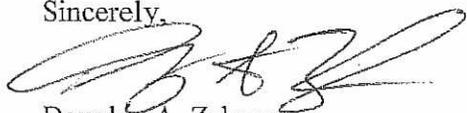
Dear Mr. Mamun

This letter is a response to your letter dated February 29, 2016. Newark Beth Israel Medical Center agrees with the OSC's findings. NBIMC eliminated the use of CPT 76499 in 2014. NBIMC has modified its policies and practices to ensure that all CMS and Novitas alerts are collected centrally, assessed and incorporated into charging and coding procedures. Additionally, information is disseminated to all departments to educate and implement any changes required at the site of service.

NBIMC will reimburse \$25,966.66 to the Medicaid program for paid claims for digital breast tomosynthesis with CPT code 76499 for the year 2014. Please communicate the remittance information for the above payment.

I can be reached at my office number (973) 926-6982 if you have any questions or concerns.

Sincerely,



Douglas A. Zehner
Senior Vice President and Chief Financial Officer
Newark Beth Israel Medical Center

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973.926.7000

barnabashealth.org/newarkbeth