



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued February 10, 2017

Office of Medicaid (MassHealth)—Review of Dental Periapical Radiograph Claims Submitted by Dr. Najmeh Rashidfarokhi

For the period July 1, 2010 through June 30, 2015





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February 10, 2017

Najmeh Rashidfarokhi, DMD
Smiles Dental Center
343 Essex Street
Lawrence, MA 01840

Dear Dr. Rashidfarokhi:

I am pleased to provide this performance audit of claims that you submitted to the Office of Medicaid for dental periapical radiographs. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2010 through June 30, 2015. My audit staff discussed the contents of this report with management of your office, whose comments are reflected in this report.

I would also like to express my appreciation to you and your staff for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written in a cursive style.

Suzanne M. Bump
Auditor of the Commonwealth

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW OF AUDITED ENTITY	3
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	5
DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE.....	8
1. Dr. Najmeh Rashidfarokhi improperly billed for dental periapical radiographs totaling approximately \$267,251.	8

EXECUTIVE SUMMARY

The Office of the State Auditor (OSA) receives an annual appropriation for the operation of a Medicaid Audit Unit to help prevent and identify fraud, waste, and abuse in the Commonwealth's Medicaid program. The state's Medicaid program,¹ known as MassHealth, is administered by the Executive Office of Health and Human Services through the Division of Medical Assistance. Medicaid is a joint federal-state program created by Congress in 1965 as Title XIX of the Social Security Act. At the federal level, the Centers for Medicare & Medicaid Services, within the US Department of Health and Human Services, administer the Medicare program and work with state governments to administer state Medicaid programs.

OSA has conducted an audit of dental periapical² radiograph claims paid to Dr. Najmeh Rashidfarokhi for the period July 1, 2010 through June 30, 2015. During this period, MassHealth paid Dr. Rashidfarokhi approximately \$349,576 to provide periapical radiographs for 4,884 MassHealth members. The purpose of this audit was to determine whether Dr. Rashidfarokhi billed MassHealth for appropriate periapical radiographs and whether she documented them in member dental records in accordance with applicable MassHealth regulations.

The audit was conducted as part of OSA's ongoing independent statutory oversight of the state's Medicaid program. Several of our previously issued audit reports disclosed significant weaknesses in MassHealth's claim-processing system, which resulted in millions of dollars in unallowable and potentially fraudulent claim payments. As with any government program, public confidence is essential to the success and continued support of the state's Medicaid program.

Based on our audit, we have concluded that Dr. Rashidfarokhi improperly billed MassHealth for dental periapical radiographs totaling approximately \$267,251 during the audit period; 90% of the claims billed during this period were unallowable.

1. This program is administered under Chapter 118E of the Massachusetts General Laws.

2. A periapical radiograph shows the whole tooth from the top to where the tooth is secured in the jaw.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 Page 8	Dr. Najmeh Rashidfarokhi improperly billed for dental periapical radiographs totaling approximately \$267,251.
Recommendations Page 9	<ol style="list-style-type: none"><li data-bbox="440 394 1474 472">1. Dr. Rashidfarokhi should collaborate with MassHealth to repay the approximately \$267,251 in improper payments she received for periapical radiographs.<li data-bbox="440 472 1474 623">2. Dr. Rashidfarokhi should ensure that in the future, she does not bill MassHealth for periapical radiographs that are unallowable under MassHealth regulations (e.g., radiographs performed as part of routine dental examinations).

OVERVIEW OF AUDITED ENTITY

Under Chapter 118E of the Massachusetts General Laws, the Executive Office of Health and Human Services, through the Division of Medical Assistance, administers the state's Medicaid program, known as MassHealth. MassHealth annually provides access to healthcare services to approximately 1.9 million eligible low- and moderate-income children, families, seniors, and people with disabilities. In fiscal year 2016, MassHealth paid healthcare providers more than \$14 billion, of which approximately 50%³ was funded by the Commonwealth. Medicaid expenditures represent approximately 39% of the Commonwealth's total annual budget.

According to Section 420.401 of Title 130 of the Code of Massachusetts Regulations, MassHealth covers medically necessary dental services provided to its members. For the five-year period July 1, 2010 through June 30, 2015, MassHealth paid approximately \$47 million to dental-service providers for dental periapical radiographs for 756,016 members, as detailed below.

Dental Periapical Radiographs

Fiscal Year	Amount Paid	Members Served	Number of Claims
2011	\$ 8,360,619	228,005	496,739
2012	8,509,557	233,194	507,734
2013	8,573,631	237,707	518,359
2014	10,050,624	277,127	659,508
2015	11,485,847	319,917	763,843
Total	<u>\$46,980,278</u>	<u>1,295,950*</u>	<u>2,946,183</u>

* Of these 1,295,950 members, the unduplicated count is 756,016.

Dr. Najmeh Rashidfarokhi is a certified MassHealth dental-service provider who provides dental services at Smiles Dental Center in Lawrence. She received a total of \$3,390,390 from MassHealth during the audit period, as detailed below.

3. During the federal government's fiscal year 2016, the Federal Medical Assistance Percentage for Massachusetts was 50%. This percentage is the amount that the federal government contributes to joint federal-state programs.

Services Provided by Dr. Najmeh Rashidfarokhi

Type of Service Provided	Amount Received
Diagnostic	\$1,055,215
Preventive	977,247
Restorative	975,614
Other	172,396
Endodontic	125,744
Periodontal	42,131
Exodontic	41,393
Prosthodontic	650
Total	<u>\$3,390,390</u>

Our audit focused on dental periapical radiograph claims for services provided to MassHealth members. Specifically, we selected dental procedure codes D0220 (periapical, first film) and D0230 (each additional periapical). These claims totaled \$349,576 during the audit period and are included in the Diagnostic service category above.

Dental Periapical Radiographs

A periapical radiograph shows the whole tooth from the top to the jaw. When taken independently (not as one of a periodic full set of radiographs), it is used to locate problems with a tooth and the surrounding areas. MassHealth regulations allow periapical radiographs to be taken by a dental-service provider either as part of a full-mouth series of radiographs (allowed once every three years) or to evaluate a specific dental problem independently. Section 420.423(3)(B) of Title 130 of the Code of Massachusetts Regulations details the specific conditions under which MassHealth will pay for periapical radiographs that are taken independently of a full-mouth set of radiographs, including instances of suspected infection, change, or anomaly when an extraction is anticipated.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor (OSA) has conducted a performance audit of dental periapical radiograph claims for services provided to MassHealth members by Dr. Rashidfarokhi for the period July 1, 2010 through June 30, 2015.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is our audit objective, indicating the question we intended our audit to answer, the conclusion we reached regarding our objective, and where the objective is discussed in this report.

Objective	Conclusion
1. Did Dr. Najmeh Rashidfarokhi bill appropriately for periapical radiographs provided to MassHealth members, and did she maintain documentation in member dental records to properly support these claims?	No; see Finding 1

Auditee Selection

As stated above, MassHealth paid dental-service providers approximately \$47 million for dental periapical radiographs during our audit period. Because of the significant amount of these expenditures, as well as prior OSA reports that have identified unallowable claims for periapical radiographs, OSA is conducting a series of audits focusing on providers of such radiographs. We performed data analytics on these periapical radiograph claims to identify (1) the frequency and cost of dental periapical radiographs and (2) service trends and billing anomalies indicating potential fraud, waste, and abuse. Our data analytics identified the providers who billed for periapical radiographs most often. We selected Dr. Rashidfarokhi for audit because we determined that of all the radiographs⁴ she took during the audit period, periapical radiographs represented an average of 69.3%, whereas all other dental providers' periapical radiographs averaged 51.5% of their total radiograph claims.

4. Dental radiographs include bitewing, panoramic, and periapical radiographs.

Methodology

To achieve our audit objective, we reviewed applicable state and federal laws, rules, and regulations; MassHealth Dental Bulletins and Transmittal Letters; the MassHealth All Provider Manual; and the MassHealth Dental Manual. Also, we requested, and received when available, the following documentation from Dr. Rashidfarokhi:

- employee manual
- policies and procedures for processing claims
- patient dental records

We gained an understanding of the internal control we deemed significant to our audit objective: the office manager's review of claims before they were submitted to MassHealth for payment. However, because the office manager did not document the review, we could not test the effectiveness of this control. We still achieved our audit objective by increasing the number of claims tested to reflect the highest level of risk.

We selected a statistically random sample of periapical radiographs—60⁵ of the 21,226 claims made by Dr. Rashidfarokhi during the audit period—to determine whether they were billed appropriately. To make this determination, we reviewed members' dental records for the sampled claims, including presenting problems, services planned and provided, the actual periapical radiographs (which we inspected visually), and dental and billing histories. For this statistical sample, we projected⁶ the error to the population in order to estimate the potential overpayment.

In a previous audit (No. 2015-8020-14O), OSA assessed the reliability of the MassHealth data in the Medicaid Management Information System, which is maintained by the Executive Office of Health and Human Services. As part of this assessment, OSA reviewed existing information, tested selected system controls, and interviewed knowledgeable agency officials about the data. Additionally, we performed validity and integrity tests on all claim data, including (1) testing for missing data; (2) scanning for duplicate records; (3) testing for values outside a designated range; (4) looking for dates outside specific time

5. We determined the sample size using a confidence level of 90% and a tolerable error rate of 10.60%.

6. Our projection yields a range of potential overpayments. The lower limit—the most conservative amount—is recommended for repayment to the Commonwealth.

periods; and (5) tracing a sample of claims queried to source documents. Based on the analysis conducted, we determined that the data obtained were sufficiently reliable for the purposes of this report.

Based on the evidence gathered to form a conclusion on our objective, we believe that all audit work, in particular the work referred to above, taken as a whole is relevant, valid, reliable, and sufficient and that it supports the finding and conclusions reached in this report.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Dr. Najmeh Rashidfarokhi improperly billed for dental periapical radiographs totaling approximately \$267,251.

Dr. Najmeh Rashidfarokhi submitted claims, and was paid approximately \$267,251, for unallowable dental periapical radiographs. Specifically, she billed for dental periapical radiographs performed as part of routine dental examinations.

We tested a statistically random sample of 60 out of 21,226 claims paid to Dr. Rashidfarokhi for dental periapical radiographs. Because the sample was statistical, we were able to project the potential error to the population. Of these 60 claims, 54 were unallowable. These 54 claims were for dental periapical radiographs performed as part of routine dental exams that were not part of a triennial full-mouth series of radiographs.⁷ The associated dental records did not indicate dental pain; anticipated extractions; or any suspected infection, periapical change, or anomaly.

We projected our results to the population of claims for dental periapical radiographs using a confidence level of 90% and a tolerable error rate of 10.60%. The result was a projected overpayment of \$267,251⁸ during the audit period.

Authoritative Guidance

MassHealth has issued regulations under Section 420.423(B)(3) of Title 130 of the Code of Massachusetts Regulations (CMR) that state the specific conditions under which it will pay for periapical radiographs. It pays for these radiographs (1) as part of a triennial full-mouth series of radiographs that also includes bitewing⁹ radiographs or (2) under the following circumstances:

Periapical films may be taken for specific areas where extraction is anticipated when infection, periapical change, or an anomaly is suspected, or when otherwise directed by the MassHealth agency.

7. MassHealth allows members to receive a full-mouth series of radiographs, including periapical, bitewing, and panoramic radiographs, once every three years.
8. Based on our statistical sampling approach, we are 90% confident that the overpayment for the audit period ranges from \$267,251 to \$314,356.
9. Bitewing radiographs show the crowns of upper and lower teeth in a particular area of the mouth and are used to identify cavities.

In addition, 130 CMR 420.414(B) requires dental-service providers to maintain sufficient documentation in members' dental files to fully support dental claims:

Payment by the MassHealth agency for dental services listed in 130 CMR 420.000 includes payment for preparation of the member's dental record. Services for which payment is claimed must be substantiated by clear evidence of the nature, extent, and necessity of care provided to the member. For all claims under review, the member's medical and dental records determine the appropriateness of services provided to members.

Reasons for Improper Billing

On behalf of Dr. Rashidfarokhi, Dr. James Katib, the owner of Smiles Dental Center, stated that periapical radiographs are taken as part of routine dental exams because the patient population has a high risk of cavities and other dental issues. He also stated that periapical radiographs are taken to identify the existence and extent of these problems. However, these dental issues do not fall into the categories of infection, change, or anomaly specified by 130 CMR 420.423(B)(3) and therefore are not allowable.

Recommendations

1. Dr. Rashidfarokhi should collaborate with MassHealth to repay the approximately \$267,251 in improper payments she received for periapical radiographs.
2. Dr. Rashidfarokhi should ensure that in the future, she does not bill MassHealth for periapical radiographs that are unallowable under MassHealth regulations (e.g., radiographs performed as part of routine dental examinations).

MassHealth's Response

MassHealth provided the following response to our original draft report, which had identified a total of \$296,103 in unallowable claims for periapical radiographs. We reduced this amount to \$267,251 to reflect the most conservative projection.

1. *MassHealth agrees with [OSA's] finding that Dr. Najmeh Rashidfarokhi improperly billed for dental periapical radiographs totaling approximately \$296,103. MassHealth's Provider Compliance Unit will seek to recover the overpayment from Dr. Najmeh Rashidfarokhi once the final report has been issued.*
2. *MassHealth agrees with [OSA's] finding that Dr. Najmeh Rashidfarokhi should develop internal controls to prevent improper billing for periapical radiographs in the future. MassHealth will work with its Dental third party administrator, DentaQuest, and Dr. Najmeh Rashidfarokhi and her employees to provide education on MassHealth policies and recordkeeping requirements. In order to ensure Dr. Najmeh Rashidfarokhi adheres to MassHealth rules and implements proper billing procedures going forward, MassHealth will*

monitor their claims utilizing data analytics to detect possible overutilization of radiographs. Based on the monitoring results, MassHealth may also request additional records or conduct unannounced on-site audits.

Auditee's Response

The findings in your report unfairly reflect a higher percentage of periapical radiographs. Without any criticism to the methodology and the evaluation of the review, we need to examine and explain how these numbers came about.

Firstly, my patients whom I treat in Lawrence consist vastly of an under treated immigrant population, who are mostly new comers to the country, and had received little to no dental care in the past. Many suffer from significant gum disease, and high level of dental caries. Often this is compounded by other medical ailments such as diabetes and heart disease. I have been privileged to treat my patients and significantly improve their oral conditions within the means allowed for them by MassHealth.

However, due to the lack of coverage of many adult dental procedures by MassHealth, treatment often falls short of stabilizing the patient's oral conditions—leaving many of them open to further deterioration and possibly adversely affecting their well being and general health. . . .

As a clinician, our options are limited and we strive to prevent further deterioration of oral conditions. We do that by keeping the patients under close watch and monitor them through clinical exams and Periapical Radiographs.

Periapical radiographs are one of the important tools in treating and monitoring our patients.

If the dental/oral condition of our patient population was more stable there will be less need for and a lower percentage of Periapical Radiographs.

And hence, it is not reasonable to directly compare the needs of the patient population we are treating in Lawrence to a population which has had a life time access to dental care.

Secondly, a number of years ago we had been getting a high rejection rate on MassHealth claims for reimbursement on Full Mouth Series (FMS) Radiographs.

A full mouth series of radiographs is a series of radiographs which usually includes more than 10 Periapical Radiographs (PAs) to evaluate patients' dentitions and gum apparatus. This is typically taken for new patients, and every few years, as recommended by the American Dental Association.

In correspondence with Dental Quest [sic] (a MassHealth third party) representative we were advised to break down the single claim of the Full Mouth Series (FMS) of radiographs into multiple individual claims of Periapical Radiographs (PAs), which they said is a solution to the repeated claim denial.

Breaking down a Full Mouth Series (FMS) of radiographs into multiple separate Periapical Radiograph (PAs) claims could yield at least Ten claims for Periapical Radiographs (PAs) instead of a single claim for the Full Mouth Series (FMS).

This modification in billing had generated a very high number and therefore a high percentage of claims of Periapical Radiographs (PAs).

The breaking down of the Full Mouth Series (FMS) to individual Periapical Radiographs (PAs) is a process called unbundling a claim.

The collective Reimbursement on the separate claims generated by the unbundling has often resulted with a lower reimbursement amount than the Full Mouth Series (FMS) claim, and NEVER a reimbursement amount more than the individual Full Mouth Series (FMS) claim.

Even though this has often resulted with a net loss in reimbursement, we have accepted it since the alternative was more labor and less efficiency to all parties involved in resolving unpaid claims.

In conclusion, the information we have shared with you will help explain the reasons why the percentage of periapical claims (69% Versus 51.5%) are higher than average and hope that this will be reflected in your report.

Auditor's Reply

In her response, Dr. Rashidfarokhi asserts that our report unfairly reflects a higher percentage of periapical radiographs. As previously stated, our data analytics identified the providers who billed periapical radiographs most often. We selected Dr. Rashidfarokhi for audit because we determined that of the radiographs she took during the audit period, periapical radiographs represented an average of 69.3%, whereas all other dental providers' periapical radiographs averaged 51.5%. This method was only used to identify providers that might be billing MassHealth for unallowable claims. This was not carried over into the audit work and had no effect on our audit results.

Dr. Rashidfarokhi justifies this high percentage of periapical radiographs by her patient population, which she says contains many immigrants who have received little to no dental care in the past, suffer from significant gum disease, and have a high level of dental caries. We do not dispute that Dr. Rashidfarokhi's patients may have significant dental issues requiring her to diagnose these problems using periapical radiographs. However, these dental problems exist in MassHealth members throughout Massachusetts. Therefore, one would expect all MassHealth dental providers to use periapical radiographs at similar levels, which they do not. Dr. Rashidfarokhi's unusually frequent use of periapical radiographs led to her selection for audit.

Dr. Rashidfarokhi states that because of the lack of coverage of many adult dental procedures by MassHealth, "treatment often falls short of stabilizing the patient's oral condition—leaving many of them open to further deterioration and possibly adversely affecting their well being and general health." Again,

we do not dispute that Dr. Rashidfarokhi may be treating a patient population with serious dental issues. However, our audit focused on whether she used periapical radiographs in accordance with MassHealth regulations. MassHealth dental providers must adhere to these regulations regardless of their patients' dental health.

Dr. Rashidfarokhi states that she uses periapical radiographs to monitor potential dental problems. However, as required by MassHealth regulations, the reasons for the use of these radiographs must be fully documented in members' dental records and should be limited to instances where a problem is suspected that could include pain, infection, or any other type of anomaly. Dr. Rashidfarokhi's response indicates that she is using periapical radiographs routinely to monitor her patients' dental condition, contrary to MassHealth regulations. It should be noted that MassHealth allows dental providers to perform a full-mouth series of radiographs, which include periapical radiographs, every three years to effectively monitor members' dental health.

Dr. Rashidfarokhi states that DentaQuest (MassHealth's third-party dental-program administrator) advised her to unbundle claims for full-mouth series of radiographs into multiple claims for periapical radiographs as a solution to MassHealth's repeated denial of claims for full-mouth series. This was not brought to our attention during the audit. If DentaQuest provided this instruction, it would have been directing Dr. Rashidfarokhi to submit claims contrary to state regulations, which expressly prohibit providers from submitting separate claims for services that could be billed under a single comprehensive code. This practice is known as unbundling and is prohibited by 130 CMR 450.307:

- (A) No provider may claim payment in a way that may result in payment that exceeds the maximum allowable payable for such service under the applicable payment method.*
- (B) Without limiting the generality of 130 CMR 450.307(A), the following billing practices are forbidden . . .*
 - (2) overstating or misrepresenting services, including submitting separate claims for services or procedures provided as components of a more-comprehensive service for which a single rate of payment is established.*