Commonwealth of Massachusetts
Office of the State Auditor
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Making government work better

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Office of the State Auditor—Annual Report Medicaid Audit Unit

For the period March 15, 2018 through March 15, 2019

OFFICE OF THE STATE AUDITOR

MEDICAID AUDIT UNIT

March 15, 2018 through March 15, 2019

Introduction

The Office of the State Auditor (OSA) receives an annual appropriation for the operation of a Medicaid Audit Unit (the Unit) for the purposes of preventing and identifying fraud, waste, and abuse in the MassHealth system and making recommendations for improved operations. The state's fiscal year 2018 budget (Chapter 47 of the Acts of 2017) requires that OSA submit a report to the House and Senate Committees on Ways and Means by no later than March 15, 2019 that includes (1) "all findings on activities and payments made through the MassHealth system"; (2) "to the extent available, a review of all post-audit efforts undertaken by MassHealth to recoup payments owed to the commonwealth due to identified fraud and abuse"; (3) "the responses of MassHealth to the most recent post-audit review survey, including the status of recoupment efforts"; and (4) "the unit's recommendations to enhance recoupment efforts."

For fiscal year 2019, the appropriation for the OSA Medicaid Audit Unit was $1,198,713. This amount represents an approximately 3% increase over the Unit's fiscal year 2018 appropriation of $1,163,799. OSA submits all costs (direct and indirect) associated with running this unit to the Executive Office of Health and Human Services (EOHHS) to be included in its in quarterly filings with the Centers for Medicare & Medicaid Services for federal cost sharing. In federal fiscal year[1] 2018, OSA submitted a total of $1,357,192 to EOHHS for consideration for the state's program integrity, allowing the state to obtain a 50%, or $678,596, reimbursement of these costs.

This report, which is being submitted by OSA in accordance with the requirements of Chapter 47, provides summaries of two performance audits involving the following:

- payments for unbundled and duplicate drug tests
- frequent drug testing of MassHealth members

1. The 2018 federal fiscal year is October 1, 2017 through September 30, 2018.

It also summarizes five MassHealth provider audits involving the following:

- an orthodontic provider (one audit)
- a substance use disorder treatment provider (one audit)
- adult day health providers (two audits)
- a vision-care provider (one audit)

The report also summarizes OSA's objectives for MassHealth audits that are currently underway. Finally, it details the corrective measures and related outcomes reported by the auditees, including MassHealth, in relation to our findings and recommendations for six audits.

This report details findings that identified unallowable, questionable, duplicative, unauthorized, or potentially fraudulent billings totaling $13,207,381. The report also describes corrective actions being taken by MassHealth as a result of six audits whose findings were issued at least six months ago for which follow-up surveys have been completed and MassHealth has taken actions to begin recouping funds. Auditees reported action or planned action on 92.5% of our audit recommendations, which will improve operational efficiency and effectiveness.

Background

EOHHS administers the state's Medicaid program, known as MassHealth, which provides access to healthcare services annually to approximately 1.9 million eligible low- and moderate-income children, families, seniors, and people with disabilities. In fiscal year 2018, MassHealth paid more than $15.8 billion to healthcare providers, of which approximately 50% was Commonwealth funds. Expenditures, including administration costs, for the Medicaid program represent approximately 37% of the Commonwealth's total annual budget.

Heightened concerns over the integrity of Medicaid expenditures were raised in January 2003, when the US Government Accountability Office (GAO) placed the US Medicaid program on its list of government programs that are at "high risk" of fraud, waste, abuse, and mismanagement. GAO has estimated that between 3% and 10% of total healthcare costs are lost to fraudulent or abusive practices by unscrupulous healthcare providers. Based on these concerns, OSA began conducting audits of Medicaid-funded programs and, as part of its fiscal year 2007 budget

proposal, submitted a request to establish a Medicaid Audit Unit within its Division of Audit Operations dedicated to detecting fraud, waste, and abuse in the MassHealth program. With the support of the state Legislature and the Governor, this proposal was acted upon favorably and has continued in subsequent budgets. Since that time, OSA has maintained ongoing independent oversight of the MassHealth program and its contracted service providers. Audit reports issued by OSA have continued to identify significant weaknesses in MassHealth's controls to prevent and detect fraud, waste, abuse, and mismanagement in the Massachusetts Medicaid program as well as improper and potentially fraudulent claims for Medicaid services.

Currently, OSA uses data-mining software in all phases of audits conducted by the Unit. By so doing, our auditors can identify areas of high risk, isolate outlier providers, and in many cases perform reviews of 100% of the claims under audit, thus significantly improving the efficiency and effectiveness of our audits. The Unit also uses data mining and analytics to identify trends and anomalies that may be indicative of billing irregularities and potentially fraudulent situations. Moreover, data mining has enabled the Unit to fully quantify the financial effects of improper payments, whether they involve one claim or 10 million. In summary, the use of data-mining techniques has enabled the Unit to (1) identify greater cost recoveries and savings, (2) isolate weaknesses in MassHealth's claim-processing system, and (3) make meaningful recommendations regarding MassHealth's system and program regulations to promote future cost savings, improve service delivery, and make government work better.

COMPLETED AUDITS

(March 15, 2018 through March 15, 2019)

During this reporting period, the Office of the State Auditor (OSA) released seven audit reports on MassHealth's administration of the Medicaid program and on Medicaid service providers' compliance with state and federal laws, regulations, and other authoritative guidance. These reports identified millions of dollars in questionable, unallowable, unauthorized, and potentially fraudulent payments and made a number of recommendations to strengthen internal controls and oversight in MassHealth's program administration. The following is a summary of our Medicaid audit work.

1. Office of Medicaid (MassHealth)—Review of Claims for Drug Test and Drug Screen Services

Audit Number	2017-1374-3M2A
Audit Period	March 1, 2013 through December 31, 2016
Issue Date	April 19, 2018
Number of Findings	3
Number of Recommendations	9
Total Questioned Costs	$4,381,089
MassHealth Recouping Payments	Partially
Potential Fraud Identified	Yes*

* Given the potential fraud associated with laboratories' bills for unbundled drug tests, OSA brought this to the attention of officials at MassHealth and the Office of Attorney General's Medicaid Fraud Division.

Reason for Audit

Using data analytics, OSA found that the claims MassHealth was paying for drug testing, which significantly decreased after OSA issued a critical audit report on this subject on April 17, 2013, began to increase steadily in 2015. OSA decided to perform a follow-up audit in this area to determine whether the system edits that MassHealth stated it had implemented in its claim-processing system to address the issues we identified in our 2013 audit were effectively preventing and denying improper claims (e.g., duplicate and unbundled[2] drug tests).

2. Unbundling is billing for medical services using multiple procedure codes rather than one comprehensive code designed for them. MassHealth does not pay unbundled claims.

Summary of Findings and Recommendations

OSA reported on three findings in this audit. First, OSA found that MassHealth's system edits did not detect and deny unbundled drug tests that resulted in $2,294,369 in overpayments during the audit period. Second, OSA identified new potential drug test unbundling scenarios totaling $1,888,620. Third, OSA found that MassHealth paid for duplicate drug tests totaling $198,100 during the audit period.

OSA's primary recommendations called for MassHealth to fix system edits for both duplicate and unbundled drug screening and drug testing and continually monitor drug test claim submissions for new unbundled drug test billing scenarios.

MassHealth Implementation of Recommendations and Recoupment Efforts

OSA provided MassHealth with all the questioned drug test claims that we identified so that MassHealth could process recoupments. MassHealth is fixing its system edits to prevent further improper payments.

2. Office of Medicaid (MassHealth)—Review of Claims by Reen & Reen, DMD, P.C.

Audit Number	2018-1374-3M2
Audit Period	July 1, 2012 through June 30, 2017
Issue Date	June 8, 2018
Number of Findings	2
Number of Recommendations	4
Total Questioned Costs	$0
MassHealth Recouping Payments	No
Potential Fraud Identified	No

Reason for Audit

OSA performed data analytics on approximately $174 million in claims for orthodontic services to identify providers with the highest risk of improper payment compared to their peer orthodontists. Our data analysis showed that claims submitted by Reen & Reen (R&R) were among the highest in frequency and cost compared to other orthodontists, indicating that R&R was a high-risk provider.

Summary of Findings and Recommendations

OSA reported on two findings in this audit. First, OSA found that R&R submitted claims to MassHealth for orthodontic services using the wrong servicing provider identification number, contrary to MassHealth regulations. Specifically, after testing a statistical sample of 180 claims, we found that 82 (46%) were performed by an orthodontist in the group other than the one R&R billed for. Second, OSA determined that 13 (7.2%) of the 180 sampled claims were billed to MassHealth first, before the members' private insurance, which MassHealth does not allow.

OSA's primary recommendations called for R&R to bill using the actual servicing provider identification number, indicating the specific orthodontist who provided the services, and to work with MassHealth on proper billing for periodic orthodontic services. Additionally, OSA recommended that R&R only bill MassHealth after it receives explanations of benefits from members' private insurance.

MassHealth Implementation of Recommendations and Recoupment Efforts

MassHealth is requiring R&R to complete mandatory training on MassHealth billing rules and is coordinating this training with its dental servicing contractor, DentaQuest, to ensure that all parties understand its policies and procedures for submitting claims to MassHealth for periodic orthodontic services and for services when a member has private insurance.

3. Office of Medicaid (MassHealth)—Review of Vision Care Claims Submitted by Dr. Khuong Nguyen

Audit Number	2017-1374-3M3
Audit Period	July 1, 2011 through December 31, 2016
Issue Date	July 16, 2018
Number of Findings	3
Number of Recommendations	6
Total Questioned Costs	$135,421
MassHealth Recouping Payments	Yes
Potential Fraud Identified	No

Reason for Audit

Using data analytics, OSA identified Dr. Khuong Nguyen as an outlier in terms of the amount he billed to MassHealth during the analyzed period for members residing in Department of Youth Services facilities and members in Department of Children and Families programs.

Summary of Findings and Recommendations

OSA reported on three findings in this audit. First, OSA found that Dr. Nguyen did not keep adequate medical records at his office that MassHealth requires to support services he provided to youths residing in state-run facilities and programs. Second, Dr. Nguyen submitted $108,166 in questionable claims for dispensing services in that he primarily mailed eyeglasses to the members rather than dispensing them in person. Finally, Dr. Nguyen did not keep adequate medical documentation as required by MassHealth, including documentation of comprehensive medical exams or comprehensive medical histories related to $27,255 in claims that he billed using certain procedure codes.

OSA's primary recommendations called for Dr. Nguyen to maintain at his office all documentation for services he provided to members in state-run facilities and programs and to bill MassHealth for dispensing services only after he fits eyeglasses to a member's face. In addition, OSA recommended that Dr. Nguyen keep adequate medical records when billing higher-complexity codes.

MassHealth Implementation of Recommendations and Recoupment Efforts

MassHealth agreed with OSA's findings and is working with OSA to determine the appropriate amount it will recoup for each of the three findings.

4. Office of Medicaid (MassHealth)—Review of Drug Testing Frequency

Audit Number	2017-1374-3M2
Audit Period	July 1, 2012 through June 30, 2016
Issue Date	July 27, 2018
Number of Findings	3
Number of Recommendations	7
Total Questioned Costs	$6,962,694
MassHealth Recouping Payments	Yes
Potential Fraud Identified	Yes*

* Given the potential fraud associated with sober homes billing for drug tests for residential monitoring purposes, OSA brought this to the attention of officials at MassHealth and the Office of Attorney General's Medicaid Fraud Division.

Reason for Audit

After completing a 2013 audit on drug testing, OSA determined that another review of MassHealth payments for drug tests that may not have been ordered and used by the member's physician could allow MassHealth to reduce wasteful spending on unnecessary member drug testing.

Summary of Findings and Recommendations

OSA reported on three findings in this audit. First, OSA found that MassHealth might have paid more than $6.2 million for drug testing for members who were not receiving or had not received any other medical services to warrant the testing. According to its regulations, MassHealth only pays for drug testing when ordered by a physician who will use the testing to diagnose or treat the member. Second, OSA found that MassHealth improperly paid at least $741,621 for drug tests for 1,753 members for residential monitoring purposes, which MassHealth does not allow. Finally, MassHealth paid laboratories for $21,073 in drug testing that did not have accompanying physician orders.

OSA's primary recommendations called for MassHealth to establish controls to ensure that it only paid for medically necessary drug testing used by an ordering physician actively treating members, as well as to work to enforce its current regulation of not allowing laboratories to bill for drug testing for residential monitoring purposes. OSA also recommended that MassHealth conduct periodic site audits of laboratories to ensure that it only pays for medically necessary drug tests.

MassHealth Implementation of Recommendations and Recoupment Efforts

MassHealth disagreed with OSA's methodology for analyzing drug testing claims and identifying members living in sober homes who were only receiving drug testing and no other services. However, MassHealth is working with the Department of Public Health to ensure that it does not pay for drug testing ordered by sober homes for residential monitoring purposes.

5. Office of Medicaid (MassHealth)—Review of Claims Submitted by Dr. Ileana Berman

Audit Number	2017-1374-3M7
Audit Period	January 1, 2014 through December 31, 2016
Issue Date	November 14, 2018
Number of Findings	5
Number of Recommendations	10
Total Questioned Costs	$359,926
MassHealth Recouping Payments	Yes
Potential Fraud Identified	No

Reason for Audit

This audit was initiated based on the amount that Dr. Ileana Berman, a MassHealth certified psychiatrist, billed MassHealth during the period under review.

Summary of Findings and Recommendations

OSA reported on five findings in this audit. First, OSA found that Dr. Berman made significant changes to her business operations and did not notify MassHealth as required. Second, Dr. Berman billed MassHealth $76,641 in drug tests whose results were improperly documented in member medical records, and as a result, her medical decision-making may have been based on inaccurate information when she was writing prescriptions for Suboxone. Third, Dr. Berman did not document detailed medical exams or members' medical histories as required by MassHealth for any of the 129 sampled claims she billed using certain evaluation and management (E/M) service procedure codes. Fourth, Dr. Berman did not maintain any documentation supporting $31,287 in E/M services and drug tests billed. Finally, Dr. Berman improperly billed MassHealth $75,261 for unbundled drug tests, which MassHealth does not allow.

OSA's primary recommendations called for Dr. Berman to maintain proper documentation in accordance with MassHealth regulations for all services, including drug testing, and to repay MassHealth for claims billed for services that either were unallowable, such as unbundled drug tests, or were not properly documented. OSA also recommended that Dr. Berman work with MassHealth regarding the changes she made to her organizational structure to determine whether the business was properly certified.

MassHealth Implementation of Recommendations and Recoupment Efforts

MassHealth agreed with OSA's findings and is working with OSA to determine the appropriate amount it will recoup for each of the five findings.

6. Office of Medicaid (MassHealth)—Review of Claims For Services Provided by Liberty Adult Day Health Center

Audit Number	2018-1374-3M10D
Audit Period	January 1, 2016 through December 31, 2017
Issue Date	March 2019
Number of Findings	2
Number of Recommendations	3
Total Questioned Costs	$412,664
MassHealth Recouping Payments	Yes
Potential Fraud Identified	No

Reason for Audit

Using data analytics, OSA's Medicaid Audit Unit identified Liberty Adult Day Health Center (Liberty) to audit because it was as an outlier among adult day health (ADH) providers.

Summary of Findings and Recommendations

OSA reported on two findings in this audit. First, OSA found that Liberty did not properly obtain the required physician order for one member before providing services to that member during the audit period. Second, OSA found that some physician orders did not include the necessary details, such as activities of daily living (ADLs) and/or skilled nursing services, for Liberty to develop its care plans.

OSA's primary recommendation called for Liberty to implement controls to ensure that it obtained detailed physician orders from members' physicians before performing any services. In addition, OSA recommended that Liberty work with MassHealth to repay any amounts it determined should be repaid.

MassHealth Implementation of Recommendations and Recoupment Efforts

MassHealth agreed with OSA's finding on the missing physician order and is planning to conduct its own audit of this provider. MassHealth did not agree with OSA that physician orders should include details on why a member needs to receive ADH services, such as ADLs and/or skilled nursing services. However,

Liberty did agree with this finding and has already changed its physician order forms to ensure that it obtains this information so that its nursing staff members can develop care plans that coordinate with physician orders and provide members with the medical services they need.

7. Office of Medicaid (MassHealth)—Review of Claims Paid for Services Provided by Cozy Corner Adult Day Health

Audit Number	2018-1374-3M10B
Audit Period	January 1, 2016 through December 31, 2017
Issue Date	March 2019
Number of Findings	1
Number of Recommendations	3
Total Questioned Costs	$955,587
MassHealth Recouping Payments	Yes
Potential Fraud Identified	No

Reason for Audit

Using data analytics, OSA identified Cozy Corner Adult Day Health Center (Cozy Corner) to audit because it was an outlier among ADH providers.

Summary of Findings and Recommendations

OSA found that Cozy Corner did not properly obtain the required signed physician orders for 43 members, or the required clinical authorizations for 4 members, before providing services to them during the audit period.

OSA's primary recommendations called for Cozy Corner to implement controls to ensure that it obtained physician orders and clinical authorizations before providing ADH services to MassHealth and to contact MassHealth for guidance and clarification regarding any unclear requirement of MassHealth regulations. OSA also recommended that MassHealth determine how much of the $955,587 discussed in this finding should be repaid and seek reimbursement.

CURRENT INITIATIVES

During this reporting period, the Office of the State Auditor (OSA) began or continued work on 12 audits on MassHealth's administration of the Medicaid program and on Medicaid service providers' compliance with state and federal laws, regulations, and other authoritative guidance. These audits were selected based on our research and applied data analysis to identify areas of risk in the state's Medicaid program. We anticipate that the audits will identify millions of dollars in questionable, unallowable, unauthorized, and potentially fraudulent payments. As part of our current initiatives, we will make recommendations to strengthen internal controls and oversight in MassHealth's program administration. The following is a summary of our Medicaid audit work in process.

- A review of counseling provided to MassHealth members receiving medication-assisted treatment for opioid use disorders for the period January 1, 2011 through December 31, 2015. We will perform data analysis on counseling provided to these members and conduct interviews of a statistical sample of members' prescribers to understand whether prescribers are able to facilitate member participation in medically necessary counseling and, if not, what barriers both prescribers and members may be experiencing.

- A review of claims paid for members with both Medicaid and Medicare eligibility (referred to as "dual eligible" members) for the period July 1, 2014 through June 30, 2017. We will determine whether MassHealth inappropriately paid for healthcare expenses for members for whom it made "buy-in" payments that should have been covered by Medicare.

- A review of pharmacy claims paid by MassHealth for refilled prescriptions for the two-and-a-half-year period ended June 30, 2017. We will determine whether MassHealth improperly paid for prescription refills that the pharmacy program had specifically eliminated or disallowed, including whether (1) prescription refills exceeded the maximum number allowed per year, (2) emergency refills exceeded the allowed period (72 hours or three days), (3) refills were dispensed one year or more after the prescription dates, (4) refills exceeded the number allowed on a prescription, (5) refills were provided when there was no indication of whether the prescription could be refilled, (6) refills were provided when there was no specific request from the member or their caregiver to refill the prescription (e.g., when the prescription was an auto-refill), or (7) "splitting" of prescriptions occurred with refills. (Splitting is a potentially fraudulent billing scenario; prescriptions are generally required to be 30-day supplies or more.)

- A review of a vision-care provider who primarily provided services at nursing facilities for the three-year period ended December 31, 2017. We will determine whether medical services provided to MassHealth members were properly supported by documentation and allowable in accordance with certain MassHealth regulations.

- A review of MassHealth's recoupment processes for the three-year period ended December 31, 2017. We will determine whether MassHealth's recoupment processes effectively identified, recorded, and collected all overpayments and recoupments.

- Four separate audits of MassHealth's enrollment offices (in Tewksbury, Chelsea, Springfield, and Taunton) for the two-year period ended December 31, 2017. We will determine whether the offices effectively evaluated new applicants in accordance with certain MassHealth eligibility requirements.

- Two separate audits of certain adult day health (ADH) centers for the two-year period ended December 31, 2017. We will determine whether the ADH centers maintained proper documentation and provided services to MassHealth members in accordance with certain MassHealth regulations.

- A review of a physician who primarily provided services in nursing facilities and hospital settings for the three-year period ended December 31, 2018. We will determine whether medical services provided to MassHealth members were properly supported by documentation and allowable in accordance with certain MassHealth regulations.

AUDIT IMPACT AND POST-AUDIT EFFORTS

The objectives of the performance audits conducted by the Office of the State Auditor (OSA) at MassHealth and its providers are not only to identify improper payments for Medicaid services, but also to identify and resolve any systemic problems such as deficiencies in internal controls that may exist within the MassHealth system. Consequently, while measures such as referring cases to law enforcement for prosecution, recommending restitution, and taking other remedial actions against individual Medicaid vendors are typical results of OSA audits and serve as a deterrent, the systemic changes made by MassHealth as a result of OSA audits, in many instances, have a more significant effect on the overall efficiency of the operation of Medicaid-funded programs.

To assess the impact of our audits and the post-audit efforts made by auditees to address issues raised in our reports, OSA has implemented a post-audit review survey process that is conducted six months after the release of an audit. This process documents the status of the recommendations made by OSA, including any corrective measures taken by the auditee, as well as any estimates of future cost savings resulting from changes made based on our recommendations.

During the report period, OSA issued, and agencies completed, six post-audit surveys regarding Medicaid audits. This number reflects audits with findings issued at least six months ago for which a follow-up survey has been completed. The self-reported surveys are issued six months after an audit is issued to allow management time to plan and implement its corrective action. Because the voluntary surveys are sent to MassHealth or the audited provider six months after an audit ends, not all of the audits conducted during the period covered by this report are included in this section of the report, as those surveys have not yet been completed.

MassHealth or the audited providers have acted, or will act, on 25 of 27 recommendations according to the survey results. Of the 25, 21 are fully implemented, 3 are in progress, and 1 is planned. Two findings and recommendations were in dispute**.** These were related to the $396,962 in improper billings for vision care and $218,784 in questionable charges for dispensing eyeglasses by MassHealth vision-care provider Dr. Wensheng Yao.

According to all survey results, MassHealth will realize a fiscal benefit of up to $77,326,909.

MassHealth service provider Dr. Hooshang D. Poor did not submit a completed post-audit review survey, despite multiple attempts by OSA to obtain the survey. However, on February 21, 2019, Dr. Poor agreed to pay $265,896 to the Medicare program and $414,103 to MassHealth to resolve issues found in an audit released August 21, 2017: specifically, that his office routinely overbilled MassHealth for services at nursing homes.

Dr. Poor also agreed to be subject to a comprehensive compliance program implemented and overseen by an independent compliance monitor. This program will require Dr. Poor to update policies, procedures, and employee training to address his coding and billing practices and will further require annual onsite audits of Dr. Poor's compliance with state and federal laws for the next three years.

1. Office of Medicaid (MassHealth)—Review of Evaluation and Management Claims Paid to Lawrence Family Doctors

Audit No. 2017-1374-3M6 Issued August 16, 2017
Survey Response Received March 1, 2018

Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
5*	4	0	N/A	• Lawrence Family Doctors plans to work with MassHealth to repay $108,232 in overbilled evaluation and management (E/M) services.

* Lawrence Family Doctors stated that it plans to implement the final recommendation.

In its survey response, Lawrence Family Doctors (LFD) stated that it had fully implemented four recommendations. LFD now bills nurse practitioner visits with a modifier that will trigger a lower rate than physician services, and it is reviewing MassHealth bulletins and billing regulations as required. It has also converted to Web-based electronic medical records, ensuring proper documentation of records and appropriate billing practices.

One recommendation was listed as "planned." LFD noted that it planned to work with MassHealth to repay the $108,232 that it overbilled for E/M services.

2. Office of Medicaid (MassHealth)—Review of Hospice Care Billing: HopeHealth Massachusetts, Inc.

Audit No. 2017-1374-3M1C Issued September 21, 2017
Survey Response Received April 5, 2018

Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
2	2	0	N/A	• HopeHealth Massachusetts, Inc. has implemented an electronic medical record system. • HopeHealth Massachusetts now audits medical records for proper hospice documentation before their release.

Responding to the survey, HopeHealth Massachusetts, a certified MassHealth hospice provider in Brockton, stated that it had fully implemented both recommendations. HopeHealth Massachusetts has implemented an electronic medical record system, along with reviewing and updating all standing operational procedures regarding forms for hospice services. Its Medical Records Department also audits its medical records for proper hospice documentation before releasing the documentation.

3. Office of Medicaid (MassHealth)—Review of Hospice Care Billing: Good Shepherd Community Care

Audit No. 2017-1374-3M1D Issued October 25, 2017
Survey Response Received May 4, 2018

Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
1	1	0	N/A	• Required forms are now completed in compliance with laws and regulations.

Good Shepherd Community Care, a Newton-based MassHealth hospice provider, responded that it had fully implemented the single recommendation made in the audit. Certification of Terminal Illness Forms are now completed electronically by physicians and are checked for compliance upon completion. Staff members have also been educated on the need for accuracy on Hospice Election Forms.

4. Office of Medicaid (MassHealth)—Review of Vision Care Claims Paid to Dr. Wensheng Yao

Audit No. 2017-1374-3M4 Issued December 22, 2017
Survey Response Received July 12, 2018

Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
6*	4	0	N/A	• Dr. Yao and Community Optics dispute the $396,962 we identified as improper billings for vision care and the $218,784 we identified as questionable charges for dispensing eyeglasses. • Dr. Yao implemented changes to accurately reflect the service provider and submit claims that are consistent with MassHealth requirements.

* Dr. Yao disputes two findings.

Audit findings from the review of Lawrence-based MassHealth vision-care service provider Dr. Wensheng Yao (at Community Optics) stated that Dr. Yao improperly billed MassHealth for $396,962 in vision care provided by other optometrists. Dr. Yao also submitted $218,784 in questionable charges for dispensing eyeglasses and did not always use the correct date of service when billing MassHealth for vision care. In the survey response, Dr. Yao disputed these findings.

Dr. Yao stated that his practice had fully implemented four recommendations. Dr. Yao and Community Optics have implemented changes to accurately reflect the service provider and submit claims that are consistent with MassHealth requirements. Community Optics is in the process of being credentialed as a single group provider. Dr. Yao and Community Optics also now regularly check MassHealth regulations, transmittal letters, provider bulletins, and other sources for changes or updates. Further, Dr. Yao and Community Optics now use the correct date of service on each type of claim submitted to MassHealth.

5. Office of Medicaid (MassHealth)—Review of Claims for Drug Testing and Screening Services

Audit No. 2017-1374-3M2A Issued April 19, 2018
Survey Response Received November 19, 2018

Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
9	6	3	$77,218,677	• MassHealth has saved $72,360,658 ($70,084,343 one-time savings, and $2,276,315 year-over-year) because of system edits. • MassHealth could recover $4,381,089 in overpayments for improperly billed claims. • MassHealth has realized savings of $476,930 because of enhanced analysis of claim trends and activity. • MassHealth has implemented internal work plans and regular meetings that have improved the timeliness of procedure code updates and has taken steps to minimize the number of missed NetReveal claims.

Responding to the post-audit review survey, MassHealth stated that it had fully implemented six recommendations. MassHealth continues to monitor, and enhance when appropriate, system edits in the Medicaid Management Information System (MMIS) and its NetReveal system to ensure proper identification and payment denial for quantitative drug testing when qualitative drug testing is performed on the same day.

As a result of these edits, MassHealth has seen and will continue to see cost savings. MMIS has denied $65,827,000 of claims with dates of service on or after January 1, 2013 for quantitative drug testing or drug screening billed on the same date of service by the same provider. Additionally, between August 1, 2015 and June 30, 2018, NetReveal denied $4,257,343 of claims for the same tests, by different providers. For fiscal year 2019, projected savings from the NetReveal edit total $2,276,315. From these edits, MassHealth will see a cost savings of $72,360,658; $70,084,343 is from one-time savings and the remaining $2,276,315 is year-over-year savings.

Additionally, MassHealth has implemented internal work plans and regular meetings that have improved the timeliness of procedure code updates and has taken steps to minimize the number of missed NetReveal claims. Further, the agency has enhanced efforts to identify providers with aberrant

billing patterns, providers that exhibit unusual claim activity compared to their peers, and providers that consistently bill definitive[3] drug testing rather than the less expensive presumptive[4] drug testing. As a result, between fiscal years 2017 and 2019, MassHealth will see a cost savings of $476,930. MassHealth also continues to monitor its suspect-duplicate reports.

MassHealth is in the process of recovering overpayments for the improperly billed claims. Specifically, MassHealth could recover $2,294,369 in unallowable, unbundled drug tests and screens performed on the same day; $1,888,620 for drug tests that may also represent unbundled billing; and $198,100 for duplicate drug tests provided to members on a single date of service.

6. Office of Medicaid (MassHealth)—Review of Claims by Reen & Reen, DMD, P.C.

Audit No. 2018-1374-3M2 Issued June 8, 2018
Survey Response Received January 15, 2019

Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
4	4	0	N/A	• Reen & Reen is now ensuring that it bills using the provider identification number of the actual servicing provider, including when more than one person provides orthodontic treatment.

Responding to the post-audit survey, Reen & Reen, DMD, P.C., a West Springfield-based MassHealth orthodontic service provider, stated that it had fully implemented all four recommendations. Reen & Reen now ensures that it bills using the provider identification number of the actual servicing provider in all cases, including when more than one person provides orthodontic treatment. In addition, it now only bills MassHealth after sending claims to, and receiving explanations of benefits from, the private insurance carriers of MassHealth members. Further, Reen & Reen fully understands the MassHealth billing requirements.

3. A definitive drug test, also known as a quantitative drug test, is a test that determines how much of a specific substance, or drug class, is in the person's system.
4. A presumptive drug test, also known as a qualitative drug test, is a test that produces a positive or negative result for each substance, or drug class, tested. Providers typically use this type of test when treating members for substance use disorders, since they only need to determine whether any illicit substance is present in a member's sample.