



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

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A. JOSEPH DeNUCCI
AUDITOR

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2009-8018-14C1

November 16, 2010

Dr. John P. Burke, DMD
21 George Street
Lowell, Massachusetts 01852-228

Dear Dr. Burke:

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, the Office of the State Auditor conducted an audit of certain aspects of MassHealth's administration of dental benefits provided to MassHealth members during the period July 1, 2005 to May 22, 2009. Our audit was conducted in accordance with applicable generally accepted government auditing standards. Our objectives were to determine whether dental claims filed by participating dental providers were properly supported by required documentation; services were delivered; claims were complete, accurate, and in compliance with applicable laws, rules, and regulations; and to determine the extent and effectiveness of MassHealth's internal controls and oversight of providers.

To achieve our objectives, we obtained data from the Massachusetts Medicaid Management Information System (MMIS), which is the claims processing system used by MassHealth to pay provider claims. We analyzed this data to identify (a) the amount and number of paid claims per participating dental provider, (b) the type and frequency of services performed by participating dental providers, and (c) service trends and billing anomalies indicative of systemic billing problems within the Dental Program. Based upon our analysis of this data, we selected 10 dental provider locations across the Commonwealth for field audits. These audits included an orthodontist and nine offices practicing general dentistry. As you are aware, your organization was selected for our review.

At each location, we selected a sample of member files to review, which involved members under the age of 21. In total, we reviewed 258 member files at the 10 dental provider locations that we visited. The paid dental claims associated with our sample totaled \$495,627 during the audit period. At your organization, we reviewed a total of 19 client files involving a total of \$75,401 in paid dental claims during the audit period. We tested each member file to ensure that the paid claims were properly

authorized and supported by appropriate documentation including dental charts, radiographs, prior authorization requests, and related billing forms and records. In addition to the member files in our sample, we also reviewed all the claims information in MMIS relative to radiographs and pre-orthodontic treatment visits you submitted during our audit period.

Based on our review of our sample of files and our review of MMIS information relative to payments made to your organization during our audit period, we identified a number of systemic issues involving MassHealth's administration of the payment of claims for dental services. We also identified specific issues at your organization, which are briefly summarized as follows.

- Periapical radiographs totaling \$532,161 prescribed for purposes not consistent with MassHealth regulations.
- Full-mouth and panoramic radiographs totaling \$175,137 paid as a separate diagnostic procedure, contrary to MassHealth regulations.
- Pre-orthodontic treatment visits, which occurred in conjunction with planned or on-going orthodontic treatment estimated at \$101,948, were billed and paid, contrary to MassHealth's regulations.
- Oral facial images totaling \$219,605 were billed and paid, contrary to MassHealth's regulations.
- Our sample of 19 member files found that only 89 of 967 (9.2%) radiographs that were billed for these sampled members were actually ever taken. MassHealth paid all 967 claims for these radiographs that totaled \$12,095.

A more detailed description of the systemic issues we identified during our overall audit, as well as the specific issues we identified during our audit of your organization, appear in the enclosed Audit Report No. 2009-8018-14C, *Independent State Auditor's Report on MassHealth's Administration of Dental Claims*, July 1, 2005 to May 22, 2009.

I would like to take this opportunity to thank you and your staff for the cooperation provided to my staff during our audit of your organization.

Sincerely,



A. JOSEPH DeNUCCI
Auditor of the Commonwealth