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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

November 27, 2012

Nirav R. Shah, M.D., M.P.H.  
Commissioner  
NYS Department of Health  
Corning Tower Building  
Empire State Plaza  
Albany, New York 12237

Re: DOH Medicaid Payments for Dental  
Consultations  
Report 2012-F-27

Dear Dr. Shah:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Health (Department) to implement the recommendations contained in our audit report, *Medicaid Payments for Dental Consultations* (Report 2010-S-12).

**Background, Scope and Objective**

The Department administers New York's Medicaid program. The Department uses its computerized eMedNY system to process and pay providers' claims for medical treatment, including dental consultations. A dental consultation takes place when a dentist (referring practitioner) seeks advice and counsel from another dental specialist (consulting practitioner) about the procedures to be performed on a Medicaid recipient. A dental consultation also takes place when a health care practitioner in a discipline other than dentistry finds it necessary to seek advice and counsel from a dental specialist. Medicaid also requires consulting practitioners to identify the referring practitioner on their claims. During the original audit period (March 1, 2005 through February 10, 2010), Medicaid paid \$87 for a consultation and reimbursed dentists \$10 million for this service.

Our initial report was issued on September 30, 2010. Our objective was to determine whether New York's Medicaid program appropriately reimbursed dental specialists for consultations. Based on a statistical analysis of a sample of claims paid to the ten dental specialists

with the highest reimbursements for consultations during our audit period, we estimated that Medicaid made overpayments of about \$1.2 million to these specialists. If our results were consistent for the claims of all other providers of dental consultations during our audit period, then Medicaid would have made an additional \$2.6 million in overpayments. The objective of our follow-up was to assess the extent of implementation, as of October 31, 2012, of the three recommendations included in our initial report.

### **Summary Conclusions and Status of Audit Recommendations**

The Department made significant progress in addressing the issues identified in our initial report and implemented the report's three recommendations.

### **Follow-up Observations**

#### **Recommendation 1**

*Perform reviews of the top billers of dental consultations and request the Office of the Medicaid Inspector General to determine whether fraudulent billing took place. In addition, seek recovery where appropriate.*

Status - Implemented

Agency Action - The Office of the Medicaid Inspector General (OMIG) reviewed many of the highest billers of dental consultations, identified inappropriate claims, and pursued recoveries of improper payments. At the time of our follow-up, the OMIG had conducted reviews of 63 providers of dental consultations and identified improper payments totaling \$1.9 million. Of that amount, the OMIG recovered about \$1.4 million. OMIG officials further indicated that they intend to pursue the balance of improper payments - totaling about \$556,000. Also, OMIG officials concluded that many of the claims for dental consultations were fraudulent, and consequently, officials referred certain providers to the Attorney General's Medicaid Fraud Control Unit for potential criminal investigation.

#### **Recommendation 2**

*Remind dental practitioners that it is not appropriate to bill for a dental consultation when a patient is transferred to them for actual, routine dental service.*

Status - Implemented

Agency Action - The Department has taken steps to remind providers of the appropriate circumstances to bill for a dental consultation. On October 14, 2010, the Department posted a Medicaid provider communication on the eMedNY system to remind dental providers that a consultation is solely for the evaluation and/or management of a specific dental problem (and not for a routine dental procedure). In addition, the Department

updated the Medicaid Dental Policy and Procedures Manual to clarify when it is appropriate to claim a dental consultation.

**Recommendation 3**

*Review the reimbursement methodology for dental services.*

Status - Implemented

Agency Action - In conjunction with a broad-based review of Medicaid reimbursement policies, the Department's Medicaid Redesign Team (MRT) reviewed the reimbursement methodology for dental services. Based on the MRT's review, the Department lowered the payment for a dental consultation from \$87 to \$30, effective May 15, 2011.

Major contributors to this report were Warren Fitzgerald, Brian Krawiecki and Anthony Calabrese.

We thank the management and staff of the Department of Health for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Dennis Buckley  
Audit Manager

cc: Mr. James Cox, Medicaid Inspector General  
Mr. Stephen Abbott, Department of Health  
Mr. Thomas Lukacs, Division of the Budget