February 17, 2016

VIA CERTIFIED AND ELECTRONIC MAIL

Douglas Shirley, Chief Financial Officer/SEVP
Cooper University Health Care
10th Floor Pavilion-Executive Management
1 Cooper Plaza
Camden, New Jersey 08103

RE: FINAL AUDIT REPORT - COOPER MEDICAL CENTER DEPARTMENT OF MEDICINE GROUP, P.A.

Dear Mr. Shirley:

As part of its oversight of the Medicaid and New Jersey FamilyCare programs (Medicaid), the Office of the State Comptroller’s Medicaid Fraud Division (OSC) conducted an audit of Cooper Medical Center Department of Medicine Group, P.A. (CMC). What follows is the Final Audit Report.

Executive Summary

The audit entailed a review of CMC’s paid fee for service (FFS) claims for consultation visits for compliance with Medicaid regulations.

During this audit, OSC determined that CMC was overpaid and should reimburse the Medicaid program $32,529.39. The overpayment is attributed to consultation visits where both the referring provider and servicing provider were members of the same group, shared health facility or physicians sharing common records.
Background

CMC is a physician multi-specialty group and is a part of Cooper University Healthcare’s affiliates. Based on Medicaid claims data, OSC determined that CMC had a significant volume of claims for outpatient consultation visits. On that basis, OSC determined that a more complete audit of CMC’s claims for outpatient visits was warranted.

Objective

The objective of this audit was to review CMC’s compliance with Medicaid regulations by examining their FFS claims for outpatient consultation visits (N.J.A.C. §10:54-1, et seq.). In particular, OSC utilized the regulations to determine whether consultation visits were referred by members of the same group, shared health facility or physicians sharing common records.

Scope

The scope of this OSC audit was limited to a review of paid FFS consultation visit claims for the period of January 1, 2013 through December 31, 2014. 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 the enabling statute for the OSC (N.J.S.A. §52:15C-1 et seq.).

Audit Findings

As set forth in N.J.A.C. §10:54-4.30(f), for all FFS claims, “Limited, Comprehensive and/or Follow-up Consultation shall be denied if performed in an office, a residential health care facility, or home setting, if the consultation has been requested by, between, or among members of the same group, shared health facility, or physicians sharing common records.”

OSC identified 1,065 Medicaid FFS paid claims totaling $95,793.37 for consultation visit codes where both the referring provider and servicing provider were group members or physicians sharing common records. The proper payment should have been $63,263.98 for office visit codes.
Recommendations

OSC also recommended that CMC prepare a Corrective Action Plan (CAP), that would be submitted for MFD review and approval, which specifies that current employees and service providers receive training with regard to N.J.A.C. §10:54-4.30(f) and, as part of such CAP, adopts a policy that reinforces this requirement for the benefit of future CMC staff.

Auditee Response

The Provider has made a full payment in the amount of $32,529.39 to the Medicaid program for the difference between the consultation codes and the correct office visit procedure codes. In addition, CMC submitted a CAP that is designed to ensure compliance with the requirements for billing consultation services.

The provider’s response is attached as Appendix A.
The provider’s revised response is attached as Appendix B.

Conclusion

Based on the audit work performed and the findings therefrom, CMC has reimbursed the Medicaid program in full. In addition, as requested, CMC provided a CAP that includes an education plan and policies and procedures to ensure compliance with Medicaid regulations for billing consultation services (Appendix A). At the request of OSC, CMC updated the language in the policies and procedures to ensure Evaluation and Management codes are applied when billing consultation services in accordance with N.J.A.C. §10:54-4.30(f) and N.J.A.C. §10:54-9.4 (Appendix B). Finally, OSC recommended that CMC update the policy definitions to include a reference to New Patient Visits to ensure proper reimbursement in accordance with N.J.A.C. §10:54-4.4, which CMC did in the revised CAP. Based on CMC’s payment and resubmission of an adequate CAP, no further action is necessary.
Sincerely,

OFFICE OF THE STATE COMPTROLLER  
Medicaid Fraud Division

By:  
Josh Lichtblau, Director

JL/dmd  
Enc.  
cc: Michael McCoy, Manager of Fiscal Integrity
December 17, 2015

Josh Lichtblau, Director
Office of the State Comptroller
Medicaid Fraud Division
P.O. Box 025
Trenton, New Jersey 08625-0025

RE: DRAFT AUDIT REPORT – COOPER MEDICAL CENTER DEPARTMENT OF MEDICINE GROUP, P.A.

Dear Mr. Lichtblau,

Enclosed please find a check for $32,529.39 in response to the Office of the State Comptroller’s Medicaid Fraud Division (OSC) audit of Cooper Medical Center Department of Medicine Group, PA (CMC), specifically NJAC §10:54-4.30(f).

Cooper will initiate a corrective action plan, which includes educating the members of the Department of Medicine group and has adopted the attached policy, NJ FFS Medicaid and/or NJ FamilyCare Consultation Billing.

Should require additional information please contact me at bargeron-francine@cooperhealth.edu or 856-382-6530.

Sincerely,

Francine Bargeron
Director, Professional Billing
Cooper University Health Care
1 Federal St. Suite #SW2109
Camden, NJ 08103-1118
PURPOSE: The purpose of this policy is to ensure compliance with New Jersey Fee-for-Service Medicaid and/or NJ FamilyCare requirements for billing consultation services as adopted and published through the NJ Register, Vol. 47, No. 23, November 16, 2015.

SCOPE: Cooper University Physicians Group and any other affiliated entities that are created, established or acquired after the adoption of this policy.

DEFINITIONS:

Physician in this policy means a doctor of medicine (M.D.), osteopathy (D.O.) or podiatric medicine licensed to practice medicine and surgery by the New Jersey State Board of Medical Examiners, or similarly licensed by comparable agencies of the state in which he or she practices.

Practitioner in this policy refers to a licensed advanced practice nurse (APN), a certified nurse midwife, a dentist, a chiropractor, a podiatrist, or a psychologist, as defined by this rule. Practitioners are responsible for examining, diagnosing, treating and counseling patients, and ordering medications, within the specific scope of their practice, as defined by their specific Board. On occasion, NJ Medicaid/NJ Family Care, in this policy, defines rules and procedures which are provided by physicians and other practitioners; in these instances, the term "physician/practitioner" is used. The term practitioner does not refer to and is not inclusive of physicians (who are defined only as M.D. and DOs).

Consultation means the professional evaluation of a patient by a qualified specialist recognized as such by NJ Medicaid/NJ FamilyCare, that is requested by the attending physician or an appropriate State agency.

Consultation: Limited - refers, generally, to a single body system review and physical examination. While a limited consultation is not necessarily limited to a single body system, it does not include a complete, total, all-inclusive history and complete, total, all-inclusive physical examination. A written report which includes diagnosis and recommendations of future management shall be provided to the referring physician. (NJAC 10:54-4.27)

Consultation: Comprehensive - means a total body system evaluation by history and physical examination, including a total body systems review and total body system physical examination. If the total body system evaluation is not performed, reimbursement for comprehensive consultation may be made, provided evidence is documented on the medical record and accompanied by a statement that the consultation utilized one or more hours of the consulting physician's personal time in performance of the consultation. (NJAC 10:54 — 4.28)
Consultation: Follow-up - means the monitoring of progress, recommending management modifications or advising on a new plan of care in response to changes in the patient's status. If the physician consultant has initiated treatment at the initial consultation and participates thereafter in the patient's management, the codes for subsequent hospital care shall be used (99231-99233). Consultation (Follow-up) codes (99261-99263) shall be used for follow-up consultations provided to hospital inpatients and nursing facility residents only. For consultative services provided in other settings, the codes for office or other outpatient consultations shall be used (99241-99245). (NJAC 10:54 – 4.29)

Transfer means the relinquishing of responsibility for the continuing care of the patient by one physician or practitioner and the assumption of such responsibility by another physician or practitioner.

POLICY:

Cooper University Physicians shall bill NJ Medicaid and/or NJ FamilyCare for consultations consistent with New Jersey Administrative Code §10:54-4:30 Consultation; use of all consultation codes [http://www.lexisnexis.com/hottopics/njcode/](http://www.lexisnexis.com/hottopics/njcode/)

When reporting consultative services, the provider shall specify whether the consultation was Limited, Comprehensive or Follow-up Consultation. Limited, Comprehensive and/or Follow-up Consultation shall be denied if performed in an office, a residential health care facility, or home setting, if the consultation has been requested by, between, or among members of the same groups, shared health care facility, or physicians sharing common records. (See N.J.A.C. 10:54 - 9.4 for consultation HCPCS codes) [http://www.lexisnexis.com/hottopics/njcode/](http://www.lexisnexis.com/hottopics/njcode/)

REFERENCES:

NJAC 10:54 Physician Services

Anthony Mazzarelli, MD, JD, MBE
Senior Executive VP & Chief Physician Executive

Douglas Shirley
Senior Executive Vice President & CFO

Francine Bergeron
Director of Professional Fee Billing
Cooper University Physicians

Charles Reitano
Vice President – Revenue Cycle
## Revenue Cycle Policies and Procedures

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February 1, 2016

Josh Lichtblau, Director
Office of the State Comptroller
Medicaid Fraud Division
P.O. Box 025
Trenton, New Jersey 08625-0025

RE: AUDIT REPORT — COOPER MEDICAL CENTER DEPARTMENT OF MEDICINE GROUP, P.A.
Review of Action Plan

Dear Mr. Lichtblau,

On December 21, 2015, in response to the Office of the State Comptroller’s Medicaid Fraud Division (OSC) audit of Cooper Department of Medicine Group, PA (CMC), a repayment of $32,539.39 was made and a corrective action plan, including the adoption of a policy, NJ FFS Medicaid and/or NJ FamilyCare Consultation Billing, was submitted.

Upon review of this policy, Mr. Richard Goldin, of your staff made recommendations, which have been incorporated into the attached. The remainder of the corrective action plan remains the same.

Should require additional information please contact me at bargeron-francine@cooperhealth.edu or 856-382-6530.

Sincerely,

Francine Bargeron
Director, Professional Billing
COOPER UNIVERSITY HEALTH CARE
Revenue Cycle Policies and Procedures

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Concurrent care means care rendered to a patient by more than one physician/practitioner where the dictates of medical necessity require that services of one or more clinicians in addition to the attending clinician, so that appropriate and needed care may be provided to the patient.

New Patient Visits -- when the CPT manual refers to office or hospital inpatient or outpatient services—new patient, the Medicaid/NJ FamilyCare program will consider this service an initial visit (NJAC 10:54-4.4) http://www.lexisnexis.com/hottopics/njcode/

Transfer means the relinquishing of responsibility for the continuing care of the patient by one physician or practitioner and the assumption of such responsibility by another physician or practitioner.

POLICY:

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An evaluation and management (E&M) code may be billed.

Concurrent care may be billed, in accordance with (NJAC 10:54-4.31) where medical necessity requires the services of more than one physician of the same or differing discipline or specialty, in addition to the primary or attending physician.
Cooper University Physicians shall bill NJ Medicaid and/or NJ FamilyCare for New Patient Visits consist with New Jersey Administrative Code §10:54-4.4
http://www.lexisnexis.com/hottopics/njcode/

**REFERENCES:**
NJAC 10:54 Physician Services

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