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OMIG AUDIT PROTOCOL HOSPITAL OUTPATIENT DEPARTMENT (OPD) – LABORATORY For service dates prior to December 1, 2008

Effective 4/30/13

Audit protocols assist the Medicaid provider community in developing programs to evaluate compliance with Medicaid requirements under federal and state statutory and regulatory law. Audit protocols are intended solely as guidance in this effort. This guidance does not constitute rulemaking by the New York State Office of the Medicaid Inspector General (OMIG) and may not be relied on to create a substantive or procedural right or benefit enforceable, at law or in equity, by any person. Furthermore, nothing in the audit protocols alters any statutory or regulatory requirement. In the event of a conflict between statements in the protocols and either statutory or regulatory requirements, the requirements of the statutes and regulations govern.

A Medicaid provider's legal obligations are determined by the applicable federal and state statutory and regulatory law. Audit protocols do not encompass all the current requirements for payment of Medicaid claims for a particular category of service or provider type and, therefore, are not a substitute for a review of the statutory and regulatory law. The OMIG cannot provide individual advice or counseling, whether medical, legal, or otherwise. If you are seeking specific advice or counseling, you should contact an attorney, a licensed practitioner or professional, a social services agency representative, or an organization in your local community.

Audit protocols are applied to a specific provider or category of service in the course of an audit and involve the OMIG's application of articulated Medicaid agency policy and the exercise of agency discretion. OMIG, consistent with state and federal law, can pursue civil and administrative enforcement actions against any individual or entity that engages in fraud, abuse, or illegal or improper acts or unacceptable practices perpetrated within the medical assistance program.

Audit protocols are amended as necessary. Reasons for amending protocols include, but are not limited to, responding to a hearing decision, litigation decision, or statutory or regulatory change.

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1.	Missing Documentation of Service
OMIG Audit Criteria	If service documentation is not made available for audit, the service will be disallowed.
Regulatory References	18 NYCRR Section 504.3(a) 18 NYCRR Section 540.7(a)(8) 18 NYCRR Section 517.3
2.	Laboratory Service Billed for Article 28 Facility Patient
OMIG Audit Criteria	Services will be disallowed if dates of service occurred while patient was under the care of the facility.
Regulatory References	10 NYCRR Section 441.339 10 NYCRR Section 86-1.18(a) 18 NYCRR Section 505.7(g)(7) MMIS Provider Manual for Clinic, Version April 2004, Section 2.2.1H NYS Medicaid Program Policy Guidelines Manual for Article 28 Certified Clinics, Version 2007-2, Section II NYS Medicaid Program Provider Manual for Laboratory, Version 2005-1, Section III
3.	Incorrect Procedure Code Billed
OMIG Audit Criteria	If the provider billed an incorrect procedure code, the difference between the incorrect procedure code and correct procedure code will be disallowed.
Regulatory References	MMIS Provider Manual for Hospital Based Ordered Ambulatory, Version July 2002, Section 2.2F
4.	Order Not Signed by Qualified Practitioner
OMIG Audit Criteria	If the order is not signed by a qualified practitioner, or by designation (electronically), the service will be disallowed.
Regulatory References	18 NYCRR Section 505.7(c)(1) 18 NYCRR Section 505.7(b)(1)(i)

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5.	No Written Order/Authenticated Request
OMIG Audit Criteria	If the written or electronic signed order is missing, the service will be disallowed.
Regulatory References	18 NYCRR Section 505.7(c)(1) 18 NYCRR Section 505.7(b)(1)(i)
6.	Billed Tests in Excess of Those Ordered by Referring Practitioner
OMIG Audit Criteria	Tests that were billed in excess of those ordered by a qualified practitioner will be disallowed.
Regulatory References	18 NYCRR Section 505.7(c)(1) NYS Medicaid Program Laboratory Manual Policy Guidelines, Version 2005-1, Section II
7.	Service Ordered from a PAC Visit
OMIG Audit Criteria	If an ancillary service ordered from a PAC visit is billed to Medicaid, the service will be disallowed.
Regulatory References	10 NYCRR Section 86-1.18 10 NYCRR Section 86-4.37(d) DOH Dear Administrator Letter DAL: Issued January 22, 1993, Supplemental Instructions for Preferred Primary Care Providers
8.	Improper Medicaid Payments for Dual Eligible Recipients
OMIG Audit Criteria	If the provider bills an incorrect Medicaid co-payment, the difference between the amount billed to Medicaid, and the amount that should have been billed will be disallowed.
Regulatory References	18 NYCRR Section 360-7.7(a) 18 NYCRR Section 360-7.7 (b) 18 NYCRR Section 360-7.2

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9.	No EOB for Medicare/Third Party Health Insurance Covered Service
OMIG Audit Criteria	If no Explanation of Benefits is provided, the billed service is disallowed.
Regulatory References	18 NYCRR Section 360-7.2 MMIS Provider Manual for Hospital Based Ordered Ambulatory, Version July 2002, Section 2.1.9
10.	Billed for Services Not Authorized by Operating Certificate/Laboratory Permit
OMIG Audit Criteria	Services not authorized by the operating certificate/laboratory permit will be disallowed.
Regulatory References	18 NYCRR Section 504.1(c) 18 NYCRR Section 505.7(f)(1) DOH Medicaid Update September 2001, Vol.16. No. 9, Office of Medicaid Management
11.	Medicaid Payment Denied Due to Lack of Medical Necessity as Determined by Medicare
OMIG Audit Criteria	If the provider bills Medicaid for services that lack medical necessity, as determined by Medicare, the services will be disallowed.
Regulatory References	18 NYCRR Section 360-7.7(a)(1) and (2) 18 NYCRR Section 500.1(b) 18 NYCRR Section 517.3(b)(1) 18 NYCRR Section 504.3(e) NYS Medicaid Program, Information for All Providers, Version 2004-1, General Policy, Section II
12.	Incorrect Diagnosis Code on Claim
OMIG Audit Criteria	If the diagnosis code is incorrectly identified on the claim, the service will be disallowed.
Regulatory References	18 NYCRR Section 504.3(h)(i) 18 NYCRR Section 518.1(c) NYS Medicaid Program Provider Manual for Laboratory Policy Guidelines, Version 2005-1, Section II DOH Medicaid Update August 2005, Vol. 20, No. 9, Office of Medicaid Management

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13.	Incorrect Ordering Provider on Claim
OMIG Audit Criteria	If the ordering provider is incorrectly identified on the claim, the service will be disallowed.
Regulatory References	18 NYCRR Section 504.3(h)(i) 18 NYCRR Section 518.1(c) NYS Medicaid Program Provider Manual for Laboratory Billing Guidelines, Version 2004-1,Section II and Version 2007-1 Section II

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