STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
800 North Pearl Street
Albany, New York 12204

DAVID A. PATERSON
GOVERNOR

JAMES G. SHEEHAN
MEDICAID INSPECTOR GENERAL

August 5, 2010

[redacted]
Doshi Diagnostic Imaging Services
560 South Broadway
Hicksville, New York 11801-5027

FINAL AUDIT REPORT
Audit #2009Z22-026N
Provider [redacted]

Dear [redacted]

The New York State Office of the Medicaid Inspector General (the "OMIG") completed an audit of Medicaid claims paid for Radiology services provided to patients. In accordance with Section 517.5 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (18 NYCRR), this report represents the final determination on issues found during the OMIG's review.

After reviewing your response to the OMIG's September 29, 2009 Draft Audit Report, the OMIG reduced the Draft Audit Report disallowances in the Final Report. Also, upon further review of the claims contained in the Draft Audit Report, the OMIG has removed additional claims from this Final Report. The total disallowances have been reduced from $12,721.44 to $4,144.70. A detailed explanation of the revision is included in the Final Report.

Based on this determination, restitution of the overpayments as defined in 18 NYCRR 518.1 is required in the amount of $4,144.70, inclusive of interest.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below.

OPTION #1: Make a full payment by check or money order within 20 days of the date of the final report. The check should be made payable to the New York State Department of Health and be sent with the enclosed Remittance Advice form, signed and dated, to:

[redacted]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 1237
Albany, New York 12237

OPTION #2: Enter into a repayment agreement with the Office of the Medicaid Inspector General. If your repayment terms exceed 90 days from the date of the final report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. If the process of establishing the repayment agreement exceeds 20 days from the date of the final report, the OMIG will impose a 15% withhold after 20 days until the agreement is established. The OMIG may require financial information from you to establish the terms of the repayment agreement. If additional information is requested, the OMIG must receive the information within 30 days of the request or a 50% withhold will be imposed. OMIG acceptance of the repayment agreement is based on your repaying the Medicaid overpayment as agreed. The OMIG will adjust the rate of recovery, or require payment in full, if your unpaid balance is not being repaid as agreed. The OMIG will notify you no later than 5 days after initiating such action.

If you wish to enter into a repayment agreement, you must forward your written request within 20 days to the following:

Collections Management Group
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204
[redacted]

Do not submit claim voids or adjustments in response to this Final Audit Report.

If within 20 days you fail to make full payment or contact the OMIG to make repayment arrangements, the OMIG will establish a withhold equal to 50% of your Medicaid billings to secure payment and liquidate the overpayment amount, interest and/or penalty, not barring any other remedy allowed by law. The OMIG will provide notice to you no later than 5 days after the withholding of any funds.

In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against the amount owed.

The Facility has the right to challenge this action and determination by requesting an administrative hearing within sixty (60) days of the date of this notice. In accordance with 18 NYCRR Section 519.18(a), "The issues and documentation considered at the hearing are

limited to issues directly relating to the final determination. An appellant may not raise issues regarding the methodology used to determine any rate of payment or fee, nor raise any new matter not considered by the department upon submission of objections to a draft audit or notice of proposed agency action."

If you wish to request a hearing, the request must be submitted in writing to:

General Counsel
Division of Counsel
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

If a hearing is held, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply along with your hearing request a signed authorization permitting that person to represent you. At the hearing, you may call witnesses and present documentary evidence on your behalf.

Questions concerning this audit may be directed to [redacted] at [redacted]

Sincerely,

[redacted]
Bureau of Business Intelligence
Office of the Medicaid Inspector General

Enclosure

CERTIFIED MAIL # [redacted]
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE

Doshi Diagnostic Imaging Services
560 South Broadway
Hicksville, New York 11801-5027

Provider [redacted]

AUDIT #2009Z22-026N

AUDIT TYPE

[X] PROVIDER
[ ] RATE
[ ] PART B
[ ] OTHER:

AMOUNT DUE: $4,144.70

CHECKLIST

1. To ensure proper credit, please enclose this form with your check.

2. Make checks payable to: *New York State Department of Health*

3. Record the Audit Number on your check.

4. Mail check to:

[redacted]
Medicaid Financial Management
New York State Department of Health
GNARESP Corning Tower, Room 1237
File #2009Z22-026N
Albany, New York 12237

5. If the provider number shown above is incorrect, please enter the correct number below.

CORRECT PROVIDER NUMBER

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

DAVID A. PATERSON
GOVERNOR

JAMES G. SHEEHAN
MEDICAID INSPECTOR GENERAL

FINAL REPORT

DOSHI DIAGNOSTIC IMAGING SERVICES
560 SOUTH BROADWAY
HICKSVILLE, NEW YORK 11801-5027

RADIOLOGY
#2009Z22-026N

ISSUED AUGUST 5, 2010

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BACKGROUND, PURPOSE AND SCOPE

The New York State Department of Health (DOH) is responsible for the administration of the Medicaid program. As an independent office within DOH, the OMIG conducts audits and reviews of providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at ensuring provider compliance with applicable laws, regulations, rules and policies of the Medicaid program as set forth in NY Public Health Law, NY Social Services Law, regulations of the Departments of Health, [Titles 10 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the Medicaid Provider Manuals.

When radiological services are rendered in hospital departments by radiologists who receive no salary/compensation from the facility for patient care and who bill separately, the charge for the professional component may not exceed 40% of the maximum fee listed in the Radiology Services Fee Schedule. The remaining 60% of the fee is the maximum amount applicable for the technical and administrative services provided by the hospital. No payment will be made to a qualified facility solely for the professional component.

The professional component (modifier -26) for radiological services is intended to cover professional services, when applicable, as listed below:

1. Determination of the problem, including interviewing the patient, obtaining the history and making appropriate physical examination to determine the method of performing the radiologic procedure.

2. Study and evaluation of results obtained in diagnostic or therapeutic procedures, interpretation of radiographs or radioisotope data-estimation resultant from treatment.

3. Dictating report of examination or treatment.

4. Consultation with referring physician regarding results of diagnostic or therapeutic procedures.

See 18 NYCRR 533.6(b)(1)(i)(a)-(d);
MMIS Provider Manual for Free Standing or Hospital Based Ordered Ambulatory, Version 2005 (pg. 4 of 66) and Version 2006 (pg. 3 of 67).

To accomplish this, inpatient radiology claims paid at 100 percent of the maximum radiology fee with payment dates from January 1, 2006 through December 31, 2008 were reviewed.

Please note that due to the implementation of the National Provider Identifier (NPI) on September 1, 2008, there may be multiple Provider Identification Numbers associated with the Primary Provider Identification Number. The NPI is linked to the Primary Provider Identification Number. The Primary Provider Identification Number is used for correspondence and recoupment.

DETAILED FINDINGS

The detailed finding of our audit is as follows:

1. **Medicaid Inappropriately Billed for Radiology Services Performed On Hospital Inpatients**

   Regulations state: "By enrolling the provider agrees ... that the information provided in relation to any claim for payment shall be true, accurate, and complete;"

   18 NYCRR 504.3(h)

   Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."

   18 NYCRR 504.3(i)

   Regulations State: "Physicians who render these services in hospitals are paid 40 percent of the appropriate fee listed in the Radiology Fee Schedule."

   18 NYCRR 533.6(b)(1)(ii)

   Regulations state: "Identification of a procedure by its 5-digit code without modifier -26 or -27 indicates that the charge includes both the "professional" and "technical" components."

   10 NYCRR 447.2(c)(1)(i)

   Regulations state: "The PC unit value (professional component unit value) represents the value of the professional radiological services of the physician."

   10 NYCRR 447.2(c)(1)(ii)

Exhibit I is a list of all claims that did not include the appropriate modifier -26 or -27. These claims were paid at 100 percent of the procedure fee rather than the 40 percent professional component. This resulted in an overpayment of $3,740.00.

DETERMINATION

In accordance with 18 NYCRR 518.4, interest may be collected on any overpayments identified in this audit and will accrue at the current rate from the preliminary determination of the overpayment. For the overpayments identified in this audit, the OMIG has determined that accrued interest totals $404.70.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR 518.1(c) is $4,144.70, inclusive of interest. Restitution of $4,144.70 is due the New York State Department of Health.