



RICK SCOTT
GOVERNOR

Better Health Care for all Floridians

ELIZABETH DUDEK
SECRETARY

CERTIFIED MAIL No.: [REDACTED]

June [REDACTED], 2011

Provider No: [REDACTED]

[REDACTED], D.D.S.
[REDACTED]
[REDACTED], Florida 32730

In Reply Refer to
PRELIMINARY AUDIT REPORT
C.I. No.: [REDACTED]

**Preliminary Audit Report
from State Medicaid Agency
Including Overpayment
Amount Calculated by Using
Statistical Extrapolation
Formula, with Actual
Statistical Formula Used.**

Dear Provider:

The Agency for Health Care Administration (Agency), Office of Inspector General, Bureau of Medicaid Program Integrity, has completed a review of claims for Medicaid reimbursement for dates of service during the period January 1, 2006 through June 30, 2009. Based on this review, we have made a preliminary determination that you were overpaid \$21,716.06 for claims that in whole or in part are not covered by Medicaid.

As cited in Sections 409.913(15), (16), and (17), Florida Statutes (F.S.), and Rule 59G-9.070, Florida Administrative Code (F.A.C.), the Agency shall apply sanctions for violations of federal and state laws, including Medicaid policy. Sanctions include, but are not limited to, fines, suspension and termination. Sanctions will be imposed in the final audit report or subsequent notifications.

As cited in Section 409.913(23), F.S., the Agency is entitled to recover all investigative, legal, and expert witness costs.

This is not a final Agency action. These findings are preliminary in nature. Upon completion of the audit, a final audit report will be issued and it will include the final identified overpayment, any sanctions applied, and the assessed costs.

This review and the determinations of overpayment were made in accordance with the provisions of Section 409.913, F.S. In determining payment pursuant to Medicaid policy, the Medicaid program utilizes descriptions, policies and the limitations and exclusions found in the Medicaid provider handbooks. In applying for Medicaid reimbursement, providers are required to follow the guidelines set forth in the applicable rules and Medicaid fee schedules, as promulgated in the

2727 Mahan Drive, MS# 6
Tallahassee, Florida 32308



Visit AHCA online at
<http://ahca.myflorida.com>

[REDACTED], D.D.S.

C.I. No.: [REDACTED]

Page 2

Medicaid policy handbooks, billing bulletins, and the Medicaid provider agreement. Medicaid cannot pay for services that do not meet these guidelines.

Below is a discussion of the particular guidelines related to the review of your claims, and an explanation of why these claims do not meet Medicaid requirements. The audit work papers are attached, listing the claims that are affected by this determination.

REVIEW DETERMINATION(S)

1. Medicaid policy specifies how medical records must be maintained. A review of your medical records revealed that some services for which you billed and received payment were not documented. Radiological film supporting some services was either not submitted or was not of diagnostic quality. Medicaid requires documentation of the services and considers payments made for services not appropriately documented an overpayment.
2. A review of your medical records revealed that some services rendered were erroneously coded on the submitted claim. The appropriate code was applied and the payment adjusted. The difference between the amount paid and the payment for the correct procedure code is considered an overpayment.
3. A review of your records indicated that some procedure codes were double billed in error. In those instances, the amount paid for the second (duplicate) procedure is considered an overpayment.

OVERPAYMENT CALCULATION

A random sample of 30 recipients respecting whom you submitted 575 claims was reviewed. For those claims in the sample, which have dates of service from January 1, 2006, through June 30, 2009, an overpayment of \$679.00 or \$1.18086957 per claim, was found. Since you were paid for a total (population) of 51,494 claims for that period, the point estimate of the total overpayment is $51,494 \times \$1.18086957 = \$60,807.70$. There is a 50 percent probability that the overpayment to you is that amount or more.

We used the following statistical formula for cluster sampling to calculate the amount due the Agency:

$$E - t \sqrt{\frac{U(U - N)}{N(N - 1)} \sum_{i=1}^N (A_i - YB_i)^2}$$

Where:

[REDACTED] D.D.S.

C.I. No.: [REDACTED]

Page 3

$$F = \text{number of claims in the population} = \sum_{i=1}^U B_i$$

A_i = total overpayment in sample cluster

B_i = number of claims in sample cluster

U = number of clusters in the population

N = number of clusters in the random sample

$$Y = \text{mean overpayment per claim} = \frac{\sum_{i=1}^N A_i}{\sum_{i=1}^N B_i}$$

t = t value from the Distribution of t Table

All of the claims relating to a recipient represent a cluster. The values of overpayment and number of claims for each recipient in the sample are shown on the attachment entitled "Overpayment Calculation Using Cluster Sampling." From this statistical formula, which is generally accepted for this purpose, we have calculated that the overpayment to you is \$21,716.06 with a ninety-five percent (95%) probability that it is that amount or more.

If you are currently involved in a bankruptcy, you should notify your attorney immediately and provide a copy of this letter for them. Please advise your attorney that we need the following information immediately: (1) the date of filing of the bankruptcy petition; (2) the case number; (3) the court name and the division in which the petition was filed (e.g., Northern District of Florida, Tallahassee Division); and, (4) the name, address, and telephone number of your attorney.

If you are not in bankruptcy and you concur with the overpayment, you may remit by certified check in the amount of \$21,716.06, however, this will not prevent the issuance of a final audit report. The check must be payable to the **Florida Agency for Health Care Administration**. Questions regarding procedures for submitting payment should be directed to Medicaid Accounts Receivable, (850) 412-3901. To ensure proper credit, be certain you legibly record on your check your Medicaid provider number and the C.I. number listed on the first page of this audit report. Please mail payment to:

Medicaid Accounts Receivable - MS # 14
Agency for Health Care Administration
2727 Mahan Drive Bldg. 2, Ste. 200
Tallahassee, FL 32308

As previously noted, this is not a final Agency action. You may choose from the following options:

- 1) Pay the overpayment identified in this notice within 15 days of receipt of this letter and wait for the issuance of the final audit report.
- 2) If you wish to submit further documentation in support of the claims identified as overpayments, you must do so within 15 days of receipt of this letter. **However, please be**

[REDACTED] D.D.S.

C.I. No.: [REDACTED]

Page 4

advised that additional documentation may be deemed evidence of non-compliance with the Agency's initial request for documentation in which you were required to provide all Medicaid-related records. Sanctions for this non-compliance will be imposed. Any additional documentation received will be taken under consideration and you will be notified of the results of the audit in a final audit report.

3) If you choose not to respond, wait for the issuance of the final audit report.

A final audit report will be issued that will include the final identified overpayment, applied sanctions, and assessed costs, taking into consideration any information or documentation that you have already submitted. Any amount due will be offset by any amount already received by the Agency in this matter. The final audit report will inform you of any hearing rights that you may wish to exercise.

Documents submitted after the completion of an audit may require an affidavit or other sworn statement, in addition to the documents, as a means to authenticate the documentation. Documentation that appears to be altered, or in any other way appears not to be authentic, will not serve to reduce the overpayment. Furthermore, additional documentation **must** clearly identify which discrepancy, as set forth in the attached audit findings, it purports to support.

Any questions you may have about this matter should be directed to [REDACTED],
**Investigator, Agency for Health Care Administration, Office of Inspector General,
Medicaid Program Integrity, 2727 Mahan Drive, Mail Stop #6, Tallahassee, Florida 32308-
5403, telephone (850) 412-4600, facsimile (850) 410-1972.**

Sincerely,

[REDACTED]

Robi Olmstead
AHCA Administrator
Office of Inspector General
Medicaid Program Integrity

RO/tm

Enclosure(s)

The Health Law Firm
1101 Douglas Avenue
Altamonte Springs, Florida 32714
ATTN: George F. Indest III, J.D., M.P.A., LL.M

FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

Provider: ██████████-██████████

Overpayment Calculation Using Cluster Sampling by Recip Name

Dates Of Service: 1/1/2006 through 6/30/2009

Number of recipients in population:	2,993	Case ID:	██████████
Number of recipients in sample:	30	Confidence level:	95 %
Total payments in population:	\$2,489,182.04	t value:	1.6991268
No. of claims in population:	51,494		

Recip #	No. Claims	Total Dollars	Overpayment
1	1	\$16.00	\$0.00
2	27	\$1,213.00	\$0.00
3	17	\$753.00	\$3.00
4	20	\$812.00	\$7.00
5	2	\$46.00	\$0.00
6	22	\$924.00	\$27.00
7	33	\$2,339.00	\$0.00
8	40	\$2,007.00	\$0.00
9	16	\$560.00	\$7.00
10	27	\$1,573.00	\$178.00
11	22	\$885.00	\$0.00
12	33	\$1,664.00	\$0.00
13	21	\$539.00	\$0.00
14	26	\$878.00	\$95.00
15	1	\$15.00	\$0.00
16	27	\$1,634.00	\$7.00
17	17	\$922.00	\$7.00
18	32	\$2,267.00	\$24.00
19	4	\$47.00	\$0.00
20	23	\$780.00	\$20.00
21	3	\$40.00	\$0.00
22	4	\$71.00	\$0.00
23	17	\$421.00	\$27.00
24	28	\$1,532.00	\$0.00
25	2	\$46.00	\$0.00
26	29	\$1,864.00	\$32.00
27	41	\$2,362.00	\$160.00
28	13	\$503.00	\$0.00
29	3	\$40.00	\$0.00
30	24	\$1,665.00	\$85.00
Totals:	30	\$28,418.00	\$679.00

Using Overpayment per claim method

Overpayment per sample claim:	\$1.18086957
Point estimate of the overpayment:	\$60,807.70
Variance of the overpayment:	\$529,317,308.03
Standard error of the overpayment:	\$23,006.90
Half confidence interval:	\$39,091.64
Overpayment at the 95 % Confidence level:	\$21,716.06