Demystifying Oral and Maxillofacial Surgery: Extractions, Impactions, Anesthesia, Sleep Apnea Appliances, and Billing

David Rubin, DDS, Diplomate of the American Board of Oral and Maxillofacial Surgery; and an HMS consultant, delivered a presentation at the National Health Care Anti-Fraud Association’s 2015 Annual Training Conference on dental fraud and how dental providers can upcharge for common procedures through fraudulent coding. After a discussion on fraudulent practices in the pediatric dental chain clinic industry, Dr. Rubin explains how oral and maxillofacial surgeons can manipulate coding to upcharge on common procedures, specifically, extractions and impactions, anesthesia techniques and sleep apnea treatments.
Executive Summary

Why Dental Fraud Matters

When the Affordable Care Act expanded dental coverage to Medicaid beneficiaries, it seemed to solve the problem of low-income patients relying on hospital emergency rooms for dental conditions. Several states followed by increasing the fees paid to dentists through Medicaid as a way to improve access to dental care for low-income Americans. Yet the expansion of dental coverage for Medicaid patients has led to an increase in fraud and abuse.

In recent years, the problem of fraud has been particularly acute among pediatric dentists, especially chain clinics that accept Medicaid. With nearly half of U.S. children on some form of government-funded health insurance, clinics such as these have flourished to meet demand.

For example, in Connecticut, the state’s Medicaid dental director began to see a spike in children getting stainless steel crowns to treat cavities, as opposed to a simpler and less expensive filling. Because the state pays dentists $230 for a stainless steel crown and $100 for a filling, it began requiring prior authorization from dentists for the steel crown.

The change in procedure brought the chain Kool Smiles under the scrutiny of Connecticut’s Medicaid program. The state discovered that the clinic was opting for the more expensive stainless steel crowns even in cases when it wasn’t deemed necessary. State investigators also discovered that a lot of the crown work they saw was of inferior quality. It took a letter from the state’s Medicaid commissioner accusing the company of malpractice to force Kool Smiles to correct the problem.¹

In recent years, the problem of fraud has been particularly acute among pediatric dentists, especially chain clinics that accept Medicaid.

A Nationwide Problem
But dental fraud has spread nationwide. This year has seen several high-level cases of dental fraud, including:

- A May 2015 Inspector General’s report for the Department of Health and Human Services identified 335 dental providers in California that showed signs of “questionable billing,” half of which worked for chain clinics catering to Medicaid and Children’s Health Insurance Program patients.

- In March 2015, dental chain Texas Smile Magic agreed to settle Medicaid fraud charges for $4.5 million, a record-setting settlement. The state alleged that the four clinics performed unnecessary procedures on young children, billed Medicaid for services never performed and even “paid recruiters to round up poor kids to be used to commit Medicaid fraud.”

- In July 2015, Sen. Charles Grassley of Iowa sent letters to the Office of Inspector General at Health and Human Services and U.S. Attorney General Loretta Lynch expressing his concern over the recent increase in dental fraud. “Some dentists are clearly performing unwanted and unneeded medical procedures on children without the consent of parents and billing Medicaid for the privilege,” Grassley wrote.

“Some dentists are clearly performing unwanted and unneeded medical procedures on children without the consent of parents and billing Medicaid for the privilege.”
—Senator Charles Grassley of Iowa

Fraud in Oral and Maxillofacial Surgery
Indeed, there are red flags with many oral and maxillofacial surgical procedures that raise the possibility of fraud and abuse.
Soft Tissue Impaction Fraud: Investigators searching for fraud in soft tissue impaction should take note of several areas including:

- Are there generic notes from the dentist?
- Was the bone removed?
- Was the tooth sectioned?

Fraud in Anesthesia Cases: Billing in anesthesia cases is another area commonly used to commit fraud. For instance, a dentist must be in attendance of a sedated patient to be able to bill for it, so investigators looking for fraud should check the office’s appointment book to see if the dentist was double-booked at the time.

Fraud in Sleep Apnea Cases: Another common case leveraged for fraud is obstructive sleep apnea (OSA). Indeed, Medicare payments for sleep testing to check a patient for OSA have increased significantly, from $62 million in 2001 to $235 million in 2009. Severe cases of OSA require medical intervention, but a dentist, usually through the use of oral appliances, can treat mild to moderate cases. But dentists have used improper billing codes or installed cheaper prefabricated oral appliances while charging for more expensive custom ones to increase their payouts.

Others Forms of Dental Fraud
Payers must also look out for other forms of fraud, including:

- Billing for services not rendered
- Misrepresentation of services rendered
- Unbundling of services
- Overcharging or up-coding

Dental fraud not only costs taxpayers millions of dollars every year, but it also puts patients at risk. Payers must be able to identify dental fraud themselves to discourage this growing problem.

Investigators looking for fraud should check the office’s appointment book to see if the dentist was double-booked at the time.

HMS powers healthcare with integrity by helping payers contain costs. Using innovative and time-tested technology and analytics, we prevent improper claims and recover overpayments. HMS delivers actionable results that improve performance and save payers billions of dollars every year.