



State of New Jersey

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

OFFICE OF THE STATE COMPTROLLER
MEDICAID FRAUD DIVISION
P.O. BOX 025
TRENTON, NJ 08625-0025
(609) 826-4700

KEVIN D. WALSH
Acting State Comptroller

JOSH LICHTBLAU
Director

May 5, 2023

BY CERTIFIED AND ELECTRONIC MAIL

Mr. David Ferguson, Executive Director
AtHome Medical, Inc.
200 The American Road
Morris Plains, NJ 07950

Re: Closing Report – AtHome Medical, Inc. [REDACTED]

Dear Mr. Ferguson:

As part of its oversight of the New Jersey Medicaid program (Medicaid), the New Jersey Office of the State Comptroller, Medicaid Fraud Division (OSC) audited the following three separate probe sample of claims submitted by AtHome Medical, Inc. (AtHome) under its National Provider Identification Numbers [REDACTED] and [REDACTED] for the period from January 1, 2017 through December 31, 2021 (audit period): (1) enteral formula and feeding supplies, (2) invasive home ventilators, and (3) non-invasive home ventilators. OSC completed its review of the documentation supporting these claims and hereby provides you with this Closing Report.

Executive Summary

OSC conducted this audit to determine whether AtHome billed for enteral formula and feeding supplies and invasive and non-invasive ventilators in accordance with applicable state and federal laws, regulations, and guidance. For audit testing purposes, OSC reviewed three statistically valid probe samples and selected a total of 196 claims. The three statistical probe samples were drawn from a universe of 49,548 claims AtHome billed under HCPCS Codes B4034, B4035, B4153, B4160, B4161, B9998, E0465, and E0466 during the audit period. Auditors routinely test information contained in a statistical sample to analyze large volumes of data in an efficient manner. From a sample, auditors can assess an audit subject's compliance with stated objectives and quantify the subject's potential repayment obligations. As a preliminary step, auditors may review a probe sample to make an initial determination as to whether there is a sufficient level of noncompliance to warrant an expanded sample.

OSC found that all 196 claims reviewed (100 percent) complied with N.J.A.C 10:49-9.8(b) and N.J.A.C. 10:59-1.5(a). Specifically, OSC found that AtHome's documentation for these 196 claims adequately supported the services rendered and the amounts billed. Accordingly, please be advised that OSC is closing this audit and AtHome does not have to take any further action regarding this matter.

Background

AtHome, a wholly owned for-profit subsidiary of Atlantic Health System, has locations in Morris Plains and South Hackensack, New Jersey. AtHome is a supplier of DME and medical supplies, dispensing items such as enteral formula, enteral feeding supplies, and home ventilators (invasive and non-invasive) among other DME and medical supplies. OSC reviewed Medicaid claims paid to AtHome during the audit period to determine whether AtHome billed in accordance with applicable state and federal laws and regulations. Specifically, the audit sought to determine whether AtHome correctly billed for enteral formula and feeding supplies and home ventilators (invasive interface (e.g. Tracheostomy Tube) and non-invasive interface (e.g. mask, chest shell)).

Enteral formula (HCPCS Codes B4153, B4160, and B4161) are liquid food products that are specially formulated and designed to increase the amount of various food elements and nutrients that will maintain proper physiological function of the body.

Enteral feeding supplies (HCPCS Codes B4034, B4035, and B9998) included in a kit may include, but are not limited to, a feeding bag/container, a flushing solution bag/container, administration set tubing, extension tubing, feeding/flushing syringes, a gastronomy tube holder, a closed reservoir overflow system for enteral feeding intolerance, dressings (any type) used for gastronomy tube site, tape to secure tube or dressings, a Y connector, an adapter, a gastric pressure relief valve, and a reclogging device. Some items are changed daily; others may be used for multiple days.

A home ventilator (HCPCS Codes E0465 and E0466) is a mechanical device capable of providing pressurized air with or without supplemental oxygen and two or more of the following features: pressure support; rate support; volume support; or various combinations of pressure, rate, and volume support. There are two types of home ventilators: an invasive home ventilator and a non-invasive home ventilator. An invasive home ventilator delivers the air via a tracheostomy tube and a non-invasive home ventilator delivers the air through a mask or nasal interface tightly sealed to the face.

Audit Objective

The objective of the audit was to determine whether claims for enteral formula and feeding supplies, and invasive and non-invasive home ventilators submitted by and paid to AtHome complied with Medicaid requirements under applicable state and federal laws, regulations, and guidance.

Audit Scope

The audit scope entailed a review of AtHome's Medicaid claims for enteral formula and feeding supplies, and invasive and non-invasive home ventilators with dates of service from January 1, 2017 through December 31, 2021. This audit was conducted pursuant to the authority of the Office of the State Comptroller as set forth in N.J.S.A. 52:15C-23 and the Medicaid Program Integrity and Protection Act, N.J.S.A. 30:4D-53 to -64.

Audit Methodology

To achieve the audit objective, OSC's methodology consisted of the following:

- Selecting three statistical probe samples comprised of 196 total claims from a universe of 49,548 claims billed by AtHome using HCPCS Codes B4034, B4035, B4153, B4160, B4161, B9998, E0465, and E0466.
- Reviewing records related to the 196 claims to determine whether AtHome maintained supporting documentation that complied with the requirements of N.J.A.C. 10:49-9.8(b) and N.J.A.C. 10:59-1.5(a).

Audit Findings

OSC reviewed AtHome's documentation for the three statistically valid random probe samples of 196 paid Medicaid claims for DME and medical supplies (HCPCS Codes B4034, B4035, B4153, B4160, B4161, B9998, E0465, and E0466) to determine whether AtHome's documentation and claims satisfied the requirements set forth in N.J.A.C. 10:49-9.8(b) and N.J.A.C. 10:59-1.5(a). OSC's review found that AtHome's documentation adequately supported the DME and medical supplies units billed to and paid by Medicaid for each claim in OSC's probe samples. Based on this analysis of the probe samples, OSC is reasonably assured that AtHome complied with the relevant documentation and billing requirements for DME and medical supplies billed under HCPCS Codes B4034, B4035, B4153, B4160, B4161, B9998, E0465, and E0466, during the audit period.

N.J.A.C. 10:49 9.8(b) requires providers to "keep such records as are necessary to disclose fully the extent of services provided."

N.J.A.C. 10:59-1.5(a) provides that "Medical supplies and equipment require a legible, dated prescription or a Certificate of Medical Necessity (CMN) personally signed by the prescribing practitioner."

For the reasons outlined above, OSC is closing this audit without making any adverse findings. Accordingly, AtHome does not need to take any action at this time. OSC's decision to close this audit is based on its review of the three aforementioned probe samples of claims for enteral formula and feeding supplies, and home ventilators billed during audit period of January 1, 2017 through December 31, 2021.

AtHome Medical, Inc.

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OSC reserves the right to audit AtHome for other periods and/or to determine whether other types of AtHome claims complied with state and federal laws, regulations, and guidance.

Thank you for your attention to this matter.

Sincerely,

KEVIN D. WALSH
ACTING STATE COMPTROLLER

By: *Josh Lichtblau*
Josh Lichtblau
Director, Medicaid Fraud Division

c: Don Catinello, Deputy Director, MFD
Justin Bernardo, Regulatory Supervisor