



UnitedHealthcare Insurance Company of New York  
22 Corporate Woods Blvd, 5<sup>th</sup> Floor, Albany, NY 12211

June 28, 2012

Mr. Brian Mason  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street, 11<sup>th</sup> Floor  
Albany, NY 12236

RE: 2010-S-67 (United HealthCare, Certain Claim Payments for Evaluation and Management Services)

Dear Mr. Mason:

This letter will respond to the Office of the State Comptroller ("OSC") Audit 2010-S-67, which focused on medical providers' usage of CPT Code Modifier 25.

We offer the following comments regarding your findings and recommendations:

*Recommendation 1: Develop and distribute formal guidance which clarifies the proper use of modifier 25 for claims preparation and submission.*

UHC Response:

As you are aware, the healthcare industry, including the medical community, relies almost universally upon the AMA's CPT-4 Manual, HCPCS guide, ICD 9, and similar coding tools as the primary source for representing services, as these guides set the standards that the entire industry is expected to follow.

Each of these sources provide both definitions and instructions for providers to utilize in properly representing the services they perform when submitting their claims for payment to both private carriers as well as all Government sponsored health programs. The billing instructions are universal. As it is made clear by these guides, it is the provider's obligation to properly identify the procedures that they render using the criteria that has been established by their peer community for them.

In addition to the industry wide information which is readily available to the provider community, UHC provides access for contracted providers to review UHC reimbursement policies, including policies that address the use of Modifier 25. UHC does not have a contractual relationship with non-participating providers, which limits our ability to provide general information regarding our reimbursement policies.

Specific to OSC's recommendation, UHC will individually address providers determined to have aberrant billing patterns and provide guidance concerning the appropriate use of Modifier 25.

*Recommendation 2: Perform a formal risk assessment of providers' use of modifier 25 and follow-up with providers exhibiting unusual modifier 25 billing patterns.*

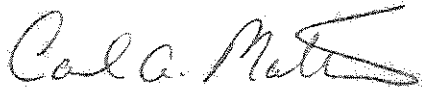
Recommendation 3: *As priorities and resources permit, review the claims of higher risk providers and recover any overpayments identified.*

UHC Response for Recommendation 2 & 3: As you are aware, the costs UHC expends to administer the plan are incorporated in the premium and incurred by New York State. We are currently working with both internal and external sources to determine the best approach to address unusual billing patterns associated with the use of Modifier 25. We are focused on utilizing the most cost effective way to address this issue so the cost does not outweigh the value that the solution brings to the Plan. We are exploring pre-adjudication and/or post adjudication detection methods to identify unusual billing patterns. We expect to have this program formalized by the third quarter of 2012.

Due to the age of the data used in the OSC report, UHC will use current data in any new programs implemented for this endeavor, and for the aberrant providers identified in the new programs, we will include the audit period of 2009 in our recovery efforts.

Thank you for providing us with the opportunity to review and respond to OSC's audit findings.

Sincerely,

A handwritten signature in dark ink, appearing to read "Carl A. Mattson". The signature is fluid and cursive, with a prominent "C" and "M".

Carl A. Mattson  
Vice President  
Empire Plan

Cc: Steven Burdick - UHC  
Thomas Coy - UHC  
Robert Dubois - DCS  
Richard Maloney - UHC