



**Connecticut Department of Social Services**  
**Medical Assistance Program**  
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**Provider Bulletin 2013-36**  
**June 2013**

To: Hospitals and Independent Laboratories  
Subject: Overpayments for Clinical Laboratory Services

In April 2013 the Federal Department of Health and Human Services Office of Inspector General (OIG) issued audit report A-01-12-00014 titled “Connecticut Generally Implemented Recommendations from Prior Review of Medicaid Payments for Clinical Laboratory Services”. One of the objectives of the OIG audit was to ensure the amounts claimed for clinical diagnostic laboratory services and submitted for Federal reimbursement do not exceed the Medicare fee schedule amounts.

Federal financial participation is not available for any amounts expended for clinical diagnostic laboratory tests that exceed the amount that would be recognized under the Medicare program (the Act Section 1903(i)(7) and the Centers for Medicare & Medicaid Services’ State Medicaid Manual Section 6300).

The OIG’s audit encompassed a review of the Medicaid hospital outpatient and independent clinical diagnostic laboratory services that were paid by DSS and claimed by the State of Connecticut for Federal Reimbursement during calendar years 2006 through 2010. The OIG audit uncovered 25,880 instances where providers of hospital outpatient and independent clinical diagnostic laboratory services were paid more than the payment amounts in the Medicare Fee Schedule. The audit noted that 99% of the overpayments for independent labs were attributed to procedure code 83914 and that the overpayments for hospital outpatient services were attributed to a variety of different procedure codes in which 33 percent of the overpayments were attributed to procedure code 86901.

The Department of Social Services’ Office of Quality Assurance has reviewed the OIG’s audit

results and is in agreement with the findings presented. As a result of the identified overpayments, **the Department will begin a recoupment process to recover the monies reimbursed in excess of the allowable amounts.** HP will be instructed to deduct the identified overpayments from future payments (via accounts receivable transactions) to **applicable** providers starting with the first payment cycle in September 2013 and continuing in subsequent payment cycles until the recoupment process is finalized.

If you are a provider that has a recoupment processed and have additional questions about this matter, please contact:

John Jakubowski, Office of Quality Assurance  
Department of Social Services  
(860) 424-5049 or [John.Jakubowski@ct.gov](mailto:John.Jakubowski@ct.gov)

