

Medicaid Loses as Docs Play Beat the Clock

By WILLIAM SHERMAN

(Eighth of a series)

Playing an expensive version of Beat the Clock, some medicaid psychiatrists routinely dismiss patients after a 10-minute chat, then bill the city for a full hour's psychiatric examination. One doctor charged \$700 for 35 hours of work in one day and sometimes, the Health Department said, bills are paid for patients who were not seen at all.

Psychiatrists are paid \$20 an hour for medicaid clients and last year billed the city for more than \$4 million. Yesterday it was learned that the State Health Department has raised the maximum fee in New York to \$30 an hour. The city has the option to maintain the \$20 fee, or raising it to \$30.

"The only control we have over psychiatrists is that we will not pay an individual for more than

10 hours a day, six days a week," said Stuart Laurence, Health Department attorney.

"Unfortunately, we have no way of knowing whether he's seeing those 60 patients in two hours, and then goes back to his private practice, or if he's really spending the time," Laurence said. "He may



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not see some of the patients at all," he said.

The continuing News investigation into abuses in the city's \$1.3 billion medical assistance program revealed that some of the psychiatrists work in large medicaid group centers where patients are referred to them by other specialists.

This reporter, posing as a medicaid patient com-

plaining of a cold at a Queens group center, was ushered in to see a psychiatrist after he had been sent to a podiatrist and an internist.

"Some psychiatrists' offices are literally bridge tables located between a podiatrist's and a chiropractor's examining rooms," said Laurence.

Under city medicaid regulations psychiatrists have been directed to bill by units, with each \$4 unit representing 15 minutes. They can bill in fractions of units, for instance, 1.5 units represents \$6 or 22 minutes.

"I have never seen any bill less than \$20," said Laurence.

Another psychiatrist who works in a group medicaid center is Dr. Max Packer, who sees patients at the South Jamaica Medical Center, 107-53 New York Blvd., Queens. Health Department records show that on several occasions during 1971 he was billing for up to 30 hours a day.

When he was asked to explain his billing pro-

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Docs Win at Beat the Clock

saying he was not advocating cheating but that he thought the directive was unnecessary so long as psychiatrists did not bill for more than 10 hours per day. At any rate, the directive was suspended by the city and Dr. Podor said he referred the matter to the State Health Department. No action has been taken. **NEXT:** How one expert would reform the Medicaid system.

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cedures, Packer replied that some of the invoices were clerical errors.

However, an examination of Health Department records revealed that during August 1971, Packer billed the city for 2,590 units, or \$10,360—17 hours a day for each day of that month.

Worked 6-Day Week

He told Health Department officials that he worked 12 hours a day six days a week, and that other practitioners at the center referred patients to him.

On April 26, 1972, Packer agreed to a reduction of his previous billing to 36 hours a week and subsequently has made the resulting restitution. He still is in the Medicaid program.

The highest billing Medicaid psychiatrists, department records show, are those who own private methadone clinics. There is no limit on the volume of patients, and the centers are paid \$4 every time a patient comes in and swallows his dose of methadone. An average dose costs a dime.

However, Dr. Elio Maggio, who runs the Bronx Psychiatric Center, a methadone clinic, 1420 Grand Concourse, Bronx, was billing at the hourly rate during the summer of 1971.

The 35-Hour Day

Records show that he regularly billed for about 100 hours a week, but reached a peak when he charged for 35 hours work in one day.

When confronted by the department, Maggio protested that he spent more than one hour with each patient and complained that Medicaid didn't pay for the methadone.

After further questioning he said he could not be concerned with (billing) units. The department reduced his payments to 32 hours a week.

On June 15, 1972, Maggio was indicted by a Bronx grand jury for selling dangerous drugs and violating the state health laws. He was charged with selling methadone to private patients for \$50 a week without giving proper follow-up care, including urine analysis tests to detect the presence of heroin, and counseling.

Grossed \$3,000 in 2 Days

During a two-day period, including his Medicaid and private patients, he grossed \$3,000. His case has not yet been brought to trial and he has not been suspended from the Medicaid program.

"In most of these clinics, the patient never sees the doctor," said senior Health Department medical auditor Dr. Howard Katz.

"He simply walks in, swallows his dose, and leaves," he said.

The biggest methadone operation ever run in the city was owned by Dr. Rafiq Jan, who accepted both private and Medicaid patients. From 1969 through 1971, he was grossing \$20,000 a week out of two offices: 35 W. 92d St. and 137 W. 96th St.

A \$277,000 Year

From May through December 1971, Jan's operation grossed \$277,000 in Medicaid funds, in addition to more than 800 private patients who were paying up to \$20 a week for their medicine.

During an investigation, Katz said he found that patients were standing 10 deep in the reception room waiting to hand money or a Medicaid card to "an individual behind a cage" who handed out pills.

"The doctors were keeping records in dime store pocket notebooks . . . there were 17 doctors and psychiatrists employed at different times," he said.

Jan was suspended from Methadone maintenance programs, and the Health Department demanded \$16,000 restitution. However, he was not suspended from Medicaid and now is operating a

group center at 137 W. 96th St., offering services from pediatrics to psychiatry.

Directive Is Issued

Recently, an investigator with a Medicaid card had two 13-minute consultations with Jan at his new office. When the bills came in they each were for one-hour visits.

On Oct. 12, in an effort to control psychiatrists billing, the Health Department issued a directive that doctors indicate the specific session time and date on each patient's bill.

Meet at Hospital

However, members of the Bronx Mental Health Center, directed by Dr. Hugo Morales, protested saying it was impossible to keep such records because in the South Bronx, patients come in and leave at odd hours, and doctors spend at least 30 minutes with each

patient doing paperwork and making telephone calls.

A meeting was held at Prospect Hospital and attended by city Medicaid officials and Rep. Herman Badillo (D-Bronx) and State Sen. Robert Garcia (D-Bronx).

During the meeting, Morales said, the psychiatrists insisted that they were not paid enough, and that patients, when questioned by department investigators, could not accurately remember what time a doctor saw a patient.

The Health Department insisted it was a valid and simple request. However, Dr. Tibor Fodor, executive medical director of Medicaid, said, "Badillo and Garcia insisted we rescind the order."

Badillo responded to this by