



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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# Ohio Medicaid Program

*Review of Medicaid Provider Reimbursements Made to  
L. J. Lewis Enterprises, Inc.*

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*A Compliance Review by the*

**Fraud, Waste and Abuse  
Prevention Division**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Susan J. Popadak, Vice President  
L. J. Lewis Enterprises, Inc.  
421 South Street  
Warren, Ohio 44481

Re: Medicaid Review of Provider Number #0698044

Dear Ms. Popadak:

We have completed our review of selected medical services rendered to Medicaid recipients by L. J. Lewis Enterprises, Inc. for the period January 1, 1996 through March 31, 2001. We identified findings in the amount of \$11,942.27, which must be repaid to the Ohio Department of Job and Family Services. A "provider remittance form" is located at the back of this report for remitting payment.

Please be advised that in accordance with Ohio Revised Code Section 131.02, if payment arrangements are not made with the Ohio Department of Job and Family Services within 45 days of receipt of this report, this matter will be referred to the Ohio Attorney General's office for collection.

As a matter of courtesy, a copy of this report is being sent to the Ohio Department of Job and Family Services, the Ohio Attorney General, and the Ohio State Medical Board. If you have any questions, please feel free to contact Johnnie L. Butts, Jr., Chief, Fraud, Waste and Abuse Prevention Division, at (614) 466-3212.

Yours truly,

JIM PETRO  
Auditor of State

November 27, 2001



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### ABBREVIATIONS

CMS	Center For Medicare and Medicaid Services (formerly known as HCFA)
FWAP	Fraud, Waste, and Abuse Prevention (Division of)
HCFA	Health Care Financing Administration (now known as CMS)
MMIS	Medicaid Management Information System
ODJFS	Ohio Department of Job and Family Services
OAC	Ohio Administrative Code
ORC	Ohio Revised Code
TCN	Transaction Control Number

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## ***SUMMARY OF RESULTS***

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The Auditor of State performed a review of L. J. Lewis Enterprises, Inc., Provider # 0698044, doing business at 421 South Street, Warren, Ohio 44481. Findings amounting to \$11,942.27 were identified. The findings resulted from Medicaid claims submitted by L. J. Lewis Enterprises, Inc. that did not meet reimbursement rules under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code (OAC).

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## ***BACKGROUND***

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In accordance with Section 117.10 of the Ohio Revised Code, the Auditor of State, working in cooperation with the Ohio Department of Job and Family Services (ODJFS), performs reviews to assess Medicaid providers' compliance with federal and state claims reimbursement rules. A Provider renders medical, dental, laboratory, or other services to Medicaid recipients.

Medicaid was established in 1965 under the authority of Title XIX of the Social Security Act and is a federal/state financed program which provides assistance to low income persons, families with dependent children, the aged, the blind, and the disabled. ODJFS administers the Medicaid program. The rules and regulations that providers must follow are issued by ODJFS in the form of an Ohio Medicaid Provider Handbook.

ODJFS' Medicaid Provider Handbook, General Information, Section II, Subsection (B), Chapter 3334 (OAC Section 5101:3-1-01), states in part, "Medical necessity" is the fundamental concept underlying the Medicaid program. Physicians, dentists, and limited practitioners render or authorize medical services within the scope of their licensure and based on their professional judgement of those services needed by an individual. . . . "Medically necessary services" are services which are necessary for the diagnosis or treatment of disease, illness, or injury and meet accepted standards of medical practice.

Medical transportation services are among the services reimbursed by the Medicaid program when delivered by eligible providers to eligible recipients. The range of medical transportation services includes emergency and non-emergency ambulance transport to a Medicaid covered service, non-emergency ambulette/wheelchair vehicle transport to a Medicaid-covered service, as well as emergency and non-emergency air ambulance transport. Covered medical transportation services (ambulance and ambulette/wheelchair vehicle services) are those transports that are determined to be medically necessary and appropriate to the recipient's health. Requirements for providers of medical transportation services are covered in ODJFS' Transportation Services Manual, which is part of the Ohio Medicaid Provider Handbook.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and OAC Section 5101:3-1-172 (E), providers are required to "Maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions. The

provider will maintain such records for a period of six years from the date of receipt of payment or until any initiated audit is completed, whichever is longer.”

In addition, rule 5101:3-1-29 (C) of the OAC states: “In all instances of fraud and abuse, any amount in excess of that legitimately due to the provider will be recouped by the department through its surveillance and utilization review section, the state auditor, or the office of the attorney general.”

“Abuse” is defined in rule 5101:3-1-29 (B) as “...those provider practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and result in an unnecessary cost to the medicaid program....”

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## ***PURPOSE SCOPE AND METHODOLOGY***

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The purpose of this review was to determine whether the Provider’s claims to Medicaid for reimbursement of transportation services were in compliance with regulations and to calculate the amount of any overpayment resulting from non-compliance.

We informed the Provider by letter they had been selected for a compliance review. An Entrance Conference was held on June 18, 2001 with Jack Popadak, President, Susan Popadak, Vice President, and Michael H. Nelson, Emergency Medical Technician Supervisor.

The scope of our review was limited to claims for which the Provider was paid by Medicaid during the period January 1, 1996 to March 31, 2001. We used computer programs to analyze the Provider’s paid claims history for that audit period. We specifically looked for “duplicate” payments – payments made twice for the same service to the same recipient. We also checked for other types of overpayments, such as payments for services to recipients who were hospital inpatients at the time of service (and which should have been covered by payments made to their hospital), and payments for services to recipients who were deceased at the time of service.

In addition, we reviewed two statistical random samples of the Provider’s records, which were used to support Medicaid claims paid by ODJFS. The samples comprised 100 transaction control numbers (TCNs), which is typically the identifier for a bill for services to one recipient. The first sample, totaling 50 TCNs, was for claims for ambulette services; the second sample, totaling 50 TCNs, was for claims for ambulance services. These claims represented 315 different transportation services, of which 192 services were in the ambulette sample and 123 services were in the sample for ambulance services. We examined the amounts reimbursed by ODJFS and conducted an on-site review of transportation records.

For the January 1, 1996 through March 31, 2001 review period, the Provider was reimbursed \$1,424,444.52 for 70,818 Medicaid transportation services, including \$7,287.73 for the 315 services in our sample.



Work performed on this audit was done in accordance with government auditing standards.

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## ***FINDINGS***

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We identified findings in our test for duplicate payments. All other tests and our review of the sample TCNs did not reveal any material deficiencies or weaknesses in the Provider's records. The duplicated claims amounted to \$11,942.27 in Medicaid funds.

### **Duplicate Payments**

According to the Ohio Medicaid Provider Handbook, Chapter 3334, Section V, Subsection B(6) (OAC Section 5101:3-1-198), overpayments, duplicate payments or payments for services not rendered are recoverable by the department at the time of discovery.

We reviewed the Provider's data for the period of January 1, 1996 through March 31, 2001, to determine if the Provider received two reimbursements for the same recipient on the same date of service for the same billed procedure. We identified \$57,533.31 in claims that involved potential duplicate payments. This included both the duplicated and the unduplicated amount, and comprised 2,348 services. We then gave a list of these payments to the Provider for their review at the Entrance Conference. The Provider submitted documentation to justify 1,047 of the services. The documentation showed that the potentially duplicated portion of these services had either been repaid to the Medicaid program (206 services), were for two round trips for one recipient on the same day (565 services), or were adjustments made by the Medicare program (276 services).

The remaining 1,301 services contained duplications which occurred through the submission of two claims for the same recipient on the same date of service. In many cases these claims involved a claim submitted on magnetic tape, followed by a duplicate claim submitted on paper. After giving the Provider credit for one of the trips, we identified findings of \$11,942.27, which should be repaid to the Ohio Department of Job and Family Services.

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## ***PROVIDER'S RESPONSE***

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To afford an opportunity to respond to our findings, we sent a draft report to the Provider on September 7, 2001. The Provider responded with additional documentation to show that some claims were not duplicate payments.

We adjusted our finding amount as appropriate. We also contacted the Provider on October 3, 2001, concerning their response to the draft report. The Provider agreed with the amount of the findings and inquired about arranging repayment through deductions from future Medicaid reimbursements. We suggested they contact the Ohio Department of Job and Family Services to make payment arrangements.

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## PROVIDER REMITTANCE FORM

Make your check payable to the Treasurer of State of Ohio and mail check along with this completed form to:

Ohio Department of Human Services  
Post Office Box 182367  
Columbus, Ohio 43218-2367

Provider: L. J. Lewis Enterprises, Inc.  
421 South Street  
Warren, Ohio 44481

Provider Number: 0698044

Review Period: January 1, 1996 through March 31, 2001

AOS Finding Amount: \$11,942.27

Date Payment Mailed: \_\_\_\_\_

Check Number: \_\_\_\_\_

**IMPORTANT:** To ensure that our office properly credits your payment, please also fax a copy of this remittance form to: Charles T. Carle at (614) 728-7398.

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**L.J. LEWIS ENTERPRISES, INC.**

**TRUMBULL COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 27, 2001**