



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements Made to Walker Ambulette

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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Chris Smith, CEO
Medic One, Inc.
7767 Montgomery Road
Cincinnati, Ohio 45236

Re: Walker Ambulette
Medicaid Provider #0935288

Dear Mr. Smith:

This report pertains to Walker Ambulette, a company that has ceased operations since our review was performed, but whose parent organization is Medic One, Inc. Our audit was of ambulette transportation services rendered to Medicaid recipients for the period January 1, 1996 through March 31, 2000. The audit work supports a finding that Walker Ambulette was overpaid at least \$105,472.55, 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 is not made to 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

June 29, 2001

TABLE OF CONTENTS

SUMMARY OF RESULTS 1

BACKGROUND 1

PURPOSE, SCOPE AND METHODOLOGY 2

FINDINGS 4

 Transportation Services Billed for Hospital Inpatients 4

 Duplicate Payments 4

 No Documentation 5

 Failure to Provide Physician Certifications 5

 Findings from Undocumented Services and Missing Physician Certifications 6

CONCLUSIONS 6

PROVIDER’S RESPONSE 6

PROVIDER REMITTANCE FORM 7

ABBREVIATIONS

CPT	Physician’s Current Procedural Terminology
EMT	Emergency Medical Technician
FWAP	Fraud, Waste, and Abuse Prevention (Division of)
HCFA	Health Care Financing Administration
HCPCS	HCFA Common Procedure Coding System
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

The Auditor of State performed a review of Walker Ambulette, Provider #0935288, doing business at 3248 Hill Avenue, Toledo, Ohio 43607-2935.¹ Based on available records, we identified findings amounting to \$105,472.55. These findings are recoverable because they resulted from Medicaid claims submitted by Walker Ambulette for services that did not meet reimbursement rules under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code (OAC).

BACKGROUND

Under 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. A physician must 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

¹ Walker Ambulette, the name shown on the Provider's Medicaid Provider Agreement, is also known as Walker Ambulance Service, which at the time of our review was a division of Medic One, Inc.

OAC Section 5101:3-1-172, 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..”

***PURPOSE SCOPE AND
METHODOLOGY***

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 July 17, 2000 with Dan Squires, General Manager; Jackie Hendrix, Corporate Billing Manager; and Tom Dobrosky, Operations Manager.

We utilized ODJFS’ Ohio Medicaid Provider Handbook and the OAC as guidance in determining the extent of services and applicable reimbursement rates. We obtained the provider’s claims history from ODJFS’ Medicaid Management Information System (MMIS), which lists services billed to and paid by Medicaid. This computerized claims data includes patient name, place of service, date of service, and type of procedure/service. These healthcare procedures and services are codified using one or more of the following five digit coding systems:

- Current Procedural Terminology (CPT)²,
- Health Care Financing Administration’s³ (HCFA) Common Procedural Coding System (HCPCS), and
- ODJFS’ local level codes.

The scope of our review was limited to claims for which the Provider was paid by Medicaid during

²The CPT is published by the American Medical Association (AMA) for the purpose of providing a uniform language to describe medical services.

³HCFA has federal oversight of the Medicaid program.

the period January 1, 1996 through March 31, 2000. To facilitate an accurate and timely review of paid claims, a statistical random sample of 135 transaction control numbers (TCN's), which is the identifier for a transportation service bill for one recipient, was taken. The 135 TCN's represented 540 different transportation services, which typically includes each one-way transport and mileage. We examined the amounts reimbursed by ODJFS and conducted an on-site review of transportation records. In addition, 30 mileage claims were randomly selected to verify mileage for accuracy. The 30 mileage claims tested did not show deficiencies.

For the January 1, 1996 through March 31, 2000 review period, the Provider was reimbursed \$1,555,936.37 for 115,578 Medicaid ambulette services, including \$8,731.81 for the 540 services in our sample. Table 1 summarizes the transportation services included in our sample.

**Table 1: Transportation Services Billed by and Reimbursed to Walker Ambulette for 135 TCN's Reviewed
Audit Period January 1, 1996 to March 31, 2000**

Procedural Definition	Procedure Code	Number of Claims	Amount of Reimbursement
Non-emergency ambulette transport0	A0130	270	\$5,720.84
Non-emergency ambulette, loaded mileage, one-way	Z0160	270	\$3,010.97
TOTALS	-----	540	\$8,731.81

Source: Paid claims contained in ODJFS' Medicaid Management Information System

The review involved comparing transportation records with the claims payment history from MMIS.

The documents requested from the Provider for review included:

- (1) A trip log which should state the date of service, time of call, name(s) of attendant(s), time of pickup, name(s) of client(s), name of driver and certification number, departure/destination, and loaded mileage. A trip log is used to validate that a transportation service took place.
- (2) The original ODJFS 3452 Physician Certification form documenting the medical necessity of the transport.
- (3) Copies of each ambulette driver's certification card for basic first-aid training. This certification may be issued by the American Red Cross or an equivalent training program.

We also visually inspected an ambulette vehicle to determine if the required equipment was in place.

Work performed on this audit was done in accordance with generally accepted government auditing standards. Detailed below are the results of this review.

FINDINGS

We identified findings in four areas: Transportation Services Billed for Hospital Inpatients, Duplicate Payments, No Documentation, and Missing Physician Certifications. The total finding for these four areas is \$105,472.55. A discussion of each area, including the number of instances found and the basis for the finding, follows.

Transportation Services Billed for Hospital Inpatients

Our analyses of the Provider's paid claims history determined that the Provider billed for transportation services on days when recipients were patients in hospitals. Specifically, we determined that the Provider had billed and been reimbursed for 384 such services, totaling \$4,561.98, for transporting 17 recipients between January 1, 1996 through May 31, 1999. To confirm that the services could not have been performed as billed, we contacted the hospitals which verified that the recipients were inpatients on the days that the transports allegedly occurred. Table 2 breaks out the services and reimbursements by year.

Table 2: Reimbursements for Transportation Services to Hospital Inpatients

Calendar Year of Services Rendered	Number of Billed Services	Amount Reimbursed
1995	6	\$68.07
1996	28	\$320.72
1997	314	\$3,659.81
1998	4	\$64.80
1999	32	\$448.48
Totals	384	\$4,561.98

Source: Payment Claims History maintained in ODJFS' Medicaid Management Information System.

Duplicate Payments

Pursuant to 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.

A computer analysis of the provider's paid claims identified 142 duplicate payments. All of the duplicates were exact matches, i.e. the Provider had claimed and been reimbursed for two or more transports of the same recipient, on the same day, and for the same mileage. This resulted in a finding of \$3,018.64 for the duplicated payments.

No Documentation

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection B, (OAC Section 5101:3-1-172), the provider must maintain records for a period of six years from the date of receipt of payment or until any initiated audit is completed, whichever is longer, to fully describe the extent of services rendered.

The review of our statistical random sample of 135 TCN's identified 10 TCN's (affecting 42 of the 540 services associated with the 135 TCN's) where the Provider billed and was reimbursed by ODJFS for transportation services, but was unable to provide documentation to support the service. Therefore, we were unable to verify that services were performed.

Failure to Provide Physician Certifications

Pursuant to OAC Section 5101:3-15-05⁴, medical transportation providers must maintain records which fully describe the extent of services provided. One of the records that must be maintained is the original physician certification form documenting the medical necessity of the transport.

Completion of form 3452 (Physician Certification) is required by OAC Section 5101:3-15-02 in order for the transportation provider to be eligible for reimbursement for Medicaid services. This certification record validates the medical necessity of the transportation service.

The physician certification is analogous to a physician's order or a prescription. Just as a prescription is required in order for a pharmacy to dispense medications and must be maintained as a record kept by the pharmacy, the physician certification for transportation services is the document that validates the medical necessity to transport the patient and must be maintained as a record by the transportation provider.

During our review of patient records for 135 randomly selected transaction control numbers (TCN's), we found 7 TCN's (affecting 30 of the 540 services associated with the 135 TCN's) in which the physician certification was not presented for review. The 7 TCN's with missing physician

⁴This cite was repealed and incorporated into OAC Section 5101:3-15-02 on March 2, 2000.

certifications were in addition to the 10 TCN's described above under no documentation.

Findings From Undocumented Services And Missing Physician Certifications

We projected the error rate for the 17 TCN's with no documentation and/or missing certifications across the total population of transportation services. This resulted in a projected overpayment of \$191,818.70, with a 95 percent certainty that the actual finding fell within a range of \$97,891.93 to \$285,745.47.⁵ Because this range was larger than we require when projecting a sample result, we requested that the Provider present additional records for review in order to improve the precision of our projection. Delays on the part of the Provider in providing these records, and the provider ceasing operation prior to making the records available, led us to making a finding for \$97,891.93 -- the lower amount in our range. We believe that using the lower amount is conservative because we can state with 97.5 percent certainty that the actual finding would have been at least this amount had we reviewed all of the Provider's claims for the audit period.

CONCLUSION

Based on the review, we identified findings for \$105,472.55. The findings is composed of \$97,891.93 in projected overpayments from our sampling of medical records, \$3,018.64 for overpayments due to duplicate billings, and \$4,561.98 for overpayments that occurred when Medicaid was billed for services rendered while the recipient was in the hospital.

PROVIDER'S RESPONSE

The Provider was given an opportunity to review our findings, provide additional documentation or otherwise respond in writing. The Provider's legal representative responded in a March 23, 2001 letter stating that the Provider did not agree with the audit or the amount of the overpayment.

The Provider is aware that if payment is not made within 45 days of receipt of this report, this matter will be referred to the Ohio Attorney General's Office for collection.

⁵ Our sample results were projected to the Provider's universe of claims for the audit period after removal of the duplicate claims and claims for hospital inpatients. Therefore, our projected findings do not overlap.

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 Job and Family Services
Post Office Box 182367
Columbus, Ohio 43218-2367

Provider: Walker Ambulette
3248 Hill Avenue
Toledo, Ohio 43607-2935

Provider Number: 0935288

Review Period: January 1, 1996 through March 31, 2000

AOS Finding Amount: \$105,472.55

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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88 East Broad Street
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WALKER AMBULETTE

LUCAS 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
JUNE 29, 2001**