STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements Made to On Time Transportation

A Compliance Review by the

Fraud, Waste and Abuse
Prevention Division

October 2002 *AOS/FWAP-03-005C*

STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490
www.auditor.state.oh.us

Calvert Smith, Jr., Owner
On Time Transportation
716-D Northland Boulevard
Cincinnati, OH 45240

Re: Medicaid Review of Provider Number #0990576

Dear Mr. Smith:

We have completed our review of selected medical services rendered to Medicaid recipients by On Time Transportation for the period October 1, 2000 through September 30, 2001. We identified findings in the amount of $84,939.43, 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

October 3, 2002

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ABBREVIATIONS

CMS	Center for Medicare and Medicaid Services (formerly known as HCFA)
CPT	Physician's Current Procedural Terminology
EMT	Emergency Medical Technician
FWAP	Fraud, Waste and Abuse Prevention (Division of)
HCFA	Health Care Financing Administration (now known as CMS)
HCPCS	HCFA (CMS) 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 On Time Transportation, Provider #0990576, doing business at 716-D Northland Boulevard, Cincinnati, Ohio 45240. Findings amounting to $84,939.43 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by On Time Transportation for services that were ineligible for reimbursement.

BACKGROUND

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. Providers render 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 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 findings resulting from non-compliance.

We informed the Provider by letter they had been selected for a review of their transportation claims. We held an Entrance Conference with Mr. Calvert Smith, Jr., Owner of On Time Transportation, on January 2, 2002.

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 the Medicaid program. 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)[1],
- Health Care Financing Administration's[2] (HCFA) Common Procedural Coding System (HCPCS), and
- ODJFS' local level codes.

The scope of our review was limited to those services paid by Medicaid from October 1, 2000, through September 30, 2001, because, according to the Provider, records prior to December 15, 1999 were destroyed in a fire and some subsequent records were lost during a move. Therefore, we decided to confine our review to a period in which the Provider could reasonably be expected to have valid documentation. The Provider was reimbursed $88,446.90 during the review period.

We reviewed claims for reimbursement submitted by the Provider. Claims are identified by

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

[2]The Center for Medicare and Medicaid Services (formerly known as HCFA) has federal oversight of the Medicaid program.

transaction control numbers (TCNs) in MMIS. Each TCN identifies a bill for services for one recipient. The review involved comparing transportation services records with the claims payment history from MMIS.

We performed a complete review of claims associated with potential duplicate payments, ambulatory patients, services rendered on Sundays, and service periods where a Medicaid eligible vehicle was not available, which totaled 855 claims and $61,568.87 in reimbursement. We also reviewed a statistically random sample of the remaining services, which totaled 367 claims and $26,878.03 in reimbursements. The sample contained 39 TCNs, covering 153 services and $2,954.93 in reimbursements. Our sample projections were adjusted to exclude portions of the population that received a complete review.

Work performed on this audit was done between August 2001 and September 2002 in accordance with government auditing standard.

FINDINGS

We identified findings from our review of the Provider's claims in the amount of $84,939.43. A discussion of the deficiencies follows:

Services Provided Without a Medicaid-Eligible Vehicle

Section 5101:3-15-02 (C)(1) of the OAC specifies the vehicle requirements for ambulette providers:

> (a) All ambulette vehicles operated by ambulette providers must have at a minimum the following equipment and features on the effective date [May 1, 2000] of this rule and thereafter:
> (i) Each vehicle must be specifically designed to transport one or more patients sitting in wheelchairs and have permanent fasteners to secure the wheelchair to the floor or side of the vehicle to prevent wheelchair movement; and
> (ii) Each vehicle must have safety restraints in the vehicle for the purpose of restraining the patient in the wheelchair; and
> (iii) Each vehicle must be equipped with a stable access ramp or hydraulic lift; and
> (vi) Each vehicle must have provisions for secure storage of removable equipment and passenger property, in order to prevent projectile injuries to passengers and driver in the event of an accident; and
> (v) Each vehicle must be equipped with, at a minimum, a fire extinguisher and an emergency first-aid kit.
> (b) All ambulette vehicles operated by ambulette providers must have at a minimum the following equipment and features within three hundred sixty-five days of the effective date of this rule and thereafter:
> (i) Each vehicle must be equipped with a communication system capable of two-way communication. Cellular communication is an acceptable means of two-way

communication; and
(ii) Each vehicle must display the company logo, insignia, or name on both sides and rear of vehicle; and
(iii) Each vehicle must have a minimum ceiling to floor height of fifty-six inches.

During our Entrance Conference, the Provider told us he had one ambulette to transport recipients. When we asked to inspect the ambulette to determine if the above requirements had been met, the Provider told us it was at a repair shop. The Provider presented vehicle purchase and registration documentation; however, we noted that the vehicle's registration had been expired for nearly two months. Using the vehicle's VIN (vehicle identification number), we then attempted to verify if the Provider had updated the vehicle's registration. It was at this point that we discovered the Provider no longer owned the vehicle. We confirmed that the vehicle was at an auto repair center from February 28, 2001 until October 2001 when it was sold.

We then spoke with recipients to determine what kind of vehicle the Provider used to perform transportation services. The recipients we contacted stated that they were transported by several different vehicles, usually a bus or a SUV.

As the Provider did not have a Medicaid-eligible vehicle from February 28, 2001, to the end of the audit period (September 30, 2001), we identified a finding of all payments made to the Provider with dates of service during this time. This finding amounted to $25,120.45.

Transport of Ambulatory Patients

Ambulette services are only covered for recipients who are nonambulatory. Section 5101:3-15-01(19) of the OAC defines "Nonambulatory"as those permanently or temporarily disabling conditions which preclude transportation in standard passenger vehicles and require transport by ambulance or ambulette (for example, patients requiring stretcher transportation or wheelchair-bound individuals).

To determine whether or not ambulatory recipients had been transported, we called patients that were listed as ambulatory on physician certifications and patients who received a large number of trips. Out of 25 recipients called, we identified 17 recipients who were ambulatory, including a mother and two children who had been transported together but billed as individual transports. These 17 patients had 518 services reimbursed from October 1, 2000 to February 27, 2001[3]. Therefore, we identified the $9,701.38 reimbursed for these services as a finding on the basis that the patients were ambulatory and did not require ambulette transport.

[3]Reimbursements after February 28, 2001 have already been identified as findings because the Provider did not have a ambulette for transports.

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.

For the October 1, 2000 through September 30, 2001 review period, we identified 174 recipient dates of service, totaling $25,929.30 in reimbursements, that appeared to include duplicate payments. A list of these service dates was given to the Provider, who supplied partial documentation to support that a single transport service was provided on 53 of the 174 service dates. No documentation was received to support the remaining duplicate services or service dates.

However, the documentation supplied did not support that any services had been provided because of missing physician certifications, missing trip sheets, and other incomplete items such as those described above. Therefore, we took exception with both the original and duplicate claims, resulting in a finding for $25,929.30.

Unsupported Claims for Sunday Transports

Our analysis of the Provider's claims data also identified 11 TCNs, comprised of 44 services, where the Provider billed and was reimbursed for trips that took place on a Sunday. Since most transports take place through the week, we reviewed the Sunday transports. To verify that these services occurred, we requested supporting patient records from the Provider. No documentation was received from the Provider to verify these transports. Therefore, we identified $817.74 in findings for unsupported Sunday transport claims.

Sample Review Identified Additional Deficiencies

We took exception with 37 of the 39 claims dates of service included in our sample review. The exceptions involved five areas of noncompliance. We projected these results to the population represented by our sample and identified a finding of $23,370.56.

As shown in Table 1, most service dates had more than one area of noncompliance. The following details the basis for our exceptions.

Table 1: Summary of Sample Review Results

Basis for Exception	Number of Claims	Number of Services
No documentation was provided to verify the service was rendered.	**8**	**32**
The physician certification was not signed by an authorized physician.	**21**	**81**
The mileage billed was incorrect.	**6**	**12**
The Provider lacked proper trip sheets verifying pick-up and destination.	**17**	**65**
Totals	**52**	**190**

Note: Total claims and services with exceptions sum to more than 39 claims and 153 services because some claims had more than one deficiency.

Source: AOS analysis of sample claims.

No Documentation

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.

In our sample of claims, we found 8 TCNs, comprising 32 services, where the Provider did not supply any documentation to support the services rendered. Therefore, we could not determine if the transports were performed or medically necessary.

Physician Certification Not Signed by an Authorized Physician

Pursuant to the Ohio Transportation Services Manual, Section AMB. 1008, Practitioner Certification Form:

> The attending practitioner, or with an order from the attending practitioner a registered nurse signing for the attending practitioner, must complete an ODHS 3452 "Practitioner Certification Form" for all medical transportation services except:
> - ALS and/or BLS ambulance transportation to a hospital emergency room in an emergency situation; or
> - Ambulance or ambulette transfer of a nonambulatory patient from one hospital to another hospital if the services provided at the second hospital are covered by Medicaid; or
> - Nonemergency ambulance or ambulette transportation for a hospital discharge.

Also, OAC §5101:3-15-01 defines an "Attending Practitioner" as the practitioner (i.e., primary care practitioner or specialist) who provides care and treatment to the patient on an ongoing basis and who can certify the medical necessity for the transport. The attending practitioner is responsible for the ongoing care and management of the patient and can certify the non-ambulatory status of the patient and the medical need for ambulance or ambulette transport, the type of certification, and length of time the ambulatory status will remain unchanged. Practitioners must have at least one of the following certifications:

(a) Doctor of Medicine
(b) Doctor of Osteopathy
(c) Doctor of Podiatric Medicine
(d) Advanced Practice Nurse (i.e., a registered nurse who holds a Certificate of authority or notice of approval issued by the Ohio Board of Nursing in accordance with section 4723.42 of the Revised Code).

Pursuant to OAC Section 5101:3-15-02, 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.

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.

In the review of our random sample, we found 12 TCNs, comprising 45 services, where the Provider obtained a Practitioner Certification Form with a signature from a person who is not a practitioner. There were instances where registered dieticians and PhD's signed for the transportation services. We also found 9 TCNs, comprising 36 services, where there was no practitioner signature on the Practitioner Certification Form. As the form must be signed by the practitioner ordering the service or a registered nurse signing for the practitioner, we were not able to determine whether the services were medically necessary. Therefore, reimbursement for these services are unallowable under the Transportation Manual.

Trip Sheets Inadequate and Mileage Excessive

According to the Medicaid Transportation Manual, Section AMB 1007, providers are to maintain

> A record for all transports on that date of service which includes time of scheduled pick up and drop off, name(s) of attendant(s), name(s) of patient(s), Medicaid patient number, name of driver, vehicle identification, name of the Medicaid service provider at departure and/or destination, pick-up and drop-off times, complete

departure/destination addresses, the type of transport provided, and mileage . . .

When claiming reimbursement for transportation services, providers are eligible to bill for the mileage from the recipient's place of residence to a destination where medical services will be provided to the recipient. Mileage is generally documented by providers on a trip sheet, which lists the recipient, the recipient's residence, destination and mileage to and from the recipient's residence to the destination.

The documentation provided showed that trip sheets were incomplete and that mileage claims were overstated. The trip sheets given to us only identified the name of the recipient and partial addresses of pick up and drop off points, but no date to identify the claim for which the trip sheet belonged. Therefore, these claims were not eligible for reimbursement as they did not contain the information required by the Medicaid program.

When we checked the number of miles claimed for reimbursement, we found that the mileage billed by the Provider was substantially higher than the mileage we calculated between the pick-up and destination points. We employed a widely used computer software program to calculate mileage.

In our review, we found 17 TCNs, comprising 65 services, where the trip tickets did not support the claim and 6 TCNs, comprising 12 services, where the mileage billed was excessive. Therefore, we disallowed the inadequate trip ticket claims and reduced the mileage reimbursement to reflect the correct mileage.

Other Observations

During our review of the Provider, we noted several other inconsistencies and possible discrepancies. We did not calculate findings for these discrepancies, but they raised questions about the validity of the Provider's supporting documentation.

- Thirteen (13) recipients told us they were transported by more than one driver, contrary to documentation given us that only listed a single driver and which raised questions about whether the other drivers were properly certified in accordance with requirements.

- Nine (9) recipients told us they were sometimes transported with other patients (multiple transports) to appointments, although all the Provider's claims were for single patient transports. Section 5101:3-15-04(C)of the Ohio Administrative Code (Reimbursement of ambulette services) stipulates a lower reimbursement rate when two or more individuals are transported together.

- The Provider billed for transporting one recipient to a doctor's office. However, the doctor's office told us the recipient had not been seen by them on that date. Moreover, the Provider billed for a 24 mile round trip, although a computer mapping program indicated the round

trip milage was only 10.6 miles.

- The Provider billed for transporting another recipient to a pharmacy (a destination not covered by Medicaid). The recipient's Physician's Certification was signed by a pharmacist (who was not authorized to make medical necessity determinations). The Provider also billed for a 10 mile round trip when a computer mapping program indicated the round trip milage was 3.6 miles.

- The Provider billed for transporting a third recipient twice each day on three occasions. The recipient confirmed that she had two medical appointments on the days in question, but since they were at the same location (a hospital), the Provider only took her by car to the first appointment and brought her home from the last appointment. The Provider billed for 22 miles each way (88 miles for two round trips), when a computer mapping program indicated the actual one-way milage was 3.5 miles.

PROVIDER'S RESPONSE

A draft report was given to the Provider on August 20, 2002, to afford an opportunity to provide additional documentation or otherwise respond in writing to our findings. The Provider sent additional documentation for our consideration on September 3, 2002. The additional documentation was intended to support 149 services that we took exception with during our review. After carefully reviewing the additional documentation, we concluded that it did not contain any information that would support changing our findings. Therefore, our finding of $84,939.43 remain unchanged.

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APPENDIX I

Table 1: Summary of Record Analysis of On Time Transportation
For the period October 1, 2000 to September 30, 2001

Description	Audit Period October 1, 2000 - September 30, 2001
Total Amount Paid by Medicaid for Transportation Services Excluding Ambulatory, Duplicate, and Services charged during period without Medicaid Approved Vehicle	**$26,878.03**
Type of Examination	**Statistical Random Sample of 39 TCNs**
Number of Transportation Services Sampled	**153**
Amount Paid for Services Sampled	**$2,954.93**
Projected Overpayment From Statistical Sample	**$23,370.56**
Upper Limit at 95% Confidence Level	**$26,365.08**
Lower Limit at 95% Confidence Level	**$20,376.04**

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

Provider:	On Time Transportation 716-D Northland Avenue Cincinnati, OH 45240
Provider Number:	0990576
Review Period:	October 1, 2000 through September 30, 2001
AOS Finding Amount:	$84,939.43
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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ON TIME TRANSPORTATION

HAMILTON 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
OCTOBER 3, 2002