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

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements Made to Medic One, Inc.

A Compliance Review by the

Fraud, Waste and Abuse
Prevention Division

May 2000 ***AOS/FWAP-00-006C***

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

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Chris Smith, CEO
Medic One, Inc.
Provider #0132618
7767 Montgomery Road
Cincinnati, Ohio 45236

Dear Mr. Smith:

We have completed our review of selected medical services rendered to Medicaid recipients during the period January 1, 1996 through March 31, 1999. We identified findings for recovery in the amount of $861,133.93. The findings represent Medicaid overpayments received which must be repaid to the Ohio Department of Human Services. Therefore, we request that a check be made payable to the Treasurer of State of Ohio and mailed to:

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

It is important to include the provider number on the check so that payment can be properly credited. In addition, please tear-out the "remittance" sheet located in the back of this report when 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 Human Services within 45 days of release of the final report, this matter will be referred to the Ohio Attorney General's office for collection.

A copy of this report is being sent to the Ohio Department of Human Services, the Ohio State Medical Board, and the Ohio Attorney General. If you have any questions, please feel free to contact Robert I. Lidman, Deputy Chief, Fraud, Waste and Abuse Prevention Division, at (614) 728-7216.

Yours truly,

JIM PETRO
Auditor of State

MAY 25, 2000

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ABBREVIATIONS

ALS	Advanced Life Support
AMA	American Medical Association
AOS	Auditor of State
BLS	Basic Life Support
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
ODHS	Ohio Department of Human Services
OAC	Ohio Administrative Code
ORC	Ohio Revised Code

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SUMMARY OF RESULTS

The Auditor of State performed a review of Medic One, Inc., Provider #0132618, doing business at 8391 Blue Ash Road, Cincinnati, Ohio 45236. During this review, findings amounting to $861,133.93 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by Medic One, Inc. for improperly reimbursed services under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code (OAC). Therefore, pursuant to Ohio Revised Code (ORC) Section 117.28, a finding for recovery is issued against Medic One, Inc. for improperly received monies in the amount of $861,133.93.

BACKGROUND

The Auditor of State, working in cooperation with the Ohio Department of Human Services (ODHS), performs reviews designed 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. The Ohio Department of Human Services administers the Medicaid program. The rules and regulations that providers must follow are issued by ODHS in the form of an Ohio Medicaid Provider Handbook and Ohio Administrative Code Section 5101:3-1-01.

ODHS' Medicaid Provider Handbook, General Information, Chapter 3334, states, "Medical necessity is the fundamental concept underlying the Medicaid program. A physician must authorize medical services within the scope of his/her 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 ODHS' Transportation Services Manual, which is part of the Ohio Medicaid Provider Handbook.

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 noncompliance.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section VI, Subsection (B), and the Ohio Administrative Code Section 5101:3-1-172, Subsection (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 form the date of receipt of payment based upon those records or until any initiated audit is completed, whichever is longer."

We informed the Provider by letter that Medic One, Inc. was selected for a compliance review. An Entrance Conference was held on July 6, 1999 at the provider's corporate office with Mr. Chris Dirksing, then President/CEO, and Mr. Tom Price, Corporate Officer.

We utilized ODHS' Medicaid Transportation Manual and the Ohio Administrative Code as guidance in determining the extent of service and applicable reimbursement rates. We obtained the provider's claims history from ODHS' Medicaid Management Information System (MMIS), which lists services billed to Medicaid and paid to providers. This computerized claims data also 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
- ODHS' local level codes.

The scope of our review was limited to claims for which the Provider was paid by Medicaid during the period January 1, 1996 through March 31, 1999. During this period, the provider was reimbursed $3,763,278.05 for 203,423 transportation services.

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

[2]HCFA has federal oversight of the Medicaid program.

To facilitate an accurate and timely review of paid claims, we took a statistical random sample of 30 days of transportation services and performed a detailed review of the transportation records supporting the paid claims for these days.

We examined the amounts reimbursed by ODHS and conducted an on-site review of the transportation records. The review involved comparing the transportation records with the claims history from MMIS. The documents requested from the Provider for review included:

- A trip log which states 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.

- The original ODHS 3452 Physician's Certification form documenting the medical necessity of the transport.

- Copies of applicable ODHS 3142 Prior Authorization Request forms.

- Copies of each ambulance attendant's emergency medical technician (EMT) certification card issued by the Department of Education. This certification must be applicable to the level of service provided (i.e., advanced life support, basic life support, or non-emergency).

- 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. Additionally, qualifications of each driver's comport with local, state and federal laws and regulations.

We also reviewed the process for how mileage is determined. According to the regional general manager, miles are determined by the crew using a computerized mapping system which was implemented two years ago. However, upon our review, most of the trip log records during the beginning of the audit period did not indicate a departure and destination address. Thus, we requested a statistical random sample of 25 recipients with a complete departure and destination address for the date of service indicated. In addition, we toured the vehicles used for transport and examined the equipment.

The provider billed and was reimbursed $93,408.53 for 5,037 transportation services for the 30 days examined. Table 1 summarizes the transportation services billed and reimbursed to Medic One, Inc.

Table 1: Transportation Services Billed by and Reimbursed to Medic One, Inc. for 30 Days (January 1, 1996 through March 31, 1999)

Procedural Definition	Procedure Code	Number of Services	Amount of Reimbursement
Ambulance Service, Basic Life Support (BLS)	A0010	23	$1,282.71
Ambulance Service, (BLS) per mile	A0020	19	$223.36
Ambulance Service, Oxygen, Administration	A0070	16	$107.68
Non-emergency ambulette/wheelchair vehicle transport	A0130	1,974	$40,679.57
Non-emergency transportation, ambulance	A0150	309	$17,181.16
Non-emergency transportation, per mile	A0160	524	$5,915.43
Ambulance Service, Advanced Life Support (ALS)	A0220	15	$1,612.95
Ambulance Service, (ALS) per mile	A0221	16	$207.87
Ambulance Service, Basic Life Support, Non-emergency	A0320	205	$12,576.75
Ambulance Service, Basic Life Support	A0322	8	$513.12
Ambulance Service, ALS Emergency, No Special Services	A0328	5	$484.94
Ambulance Service, ALS Emergency, With Special Services	A0330	9	$1,001.64
Ambulance Service, BLS per mile	A0380	11	$176.35
Ambulance Service, ALS per mile	A0390	14	$366.58
Ambulette/Wheelchair, Loaded mileage	Z0160	1,889	$11,078.42
TOTALS	----------	**5,037**	**$93,408.53**

Source: Paid claims contained in ODHS' Medicaid Management Information System.

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

A draft report was mailed to the Provider on November 17, 1999. The Provider was given ten (10) business days from receipt of the draft to provide additional documentation or otherwise respond in writing. Subsequent to an extension period, the Provider submitted additional documentation on January 12, 2000, which was used to revise the finding amount for the final report.

In reviewing the sample cases, it was discovered that 193 instances of duplicate billings, (386 total services) had occurred in the sample data. These duplicate bills were for the same recipient, on the same date of service, for the same procedure and dollar amount. The bills, however, were submitted at different times, one submitted via paper form and the other by computer tape.

Upon discovering the duplicate problem, a computer analysis was performed on the entire population of paid bills for the audit period to identify all such duplicates in the population. A total of 11,290 services with duplicate billings were identified, with $91,363.86 in duplicate payments.

In order to prevent an over projection of billing errors, all services and payments associated with the duplicate billings were backed out of the overall population and the case sample. All statistical projections of error were done using an adjusted population and sample that excluded the duplicate records. This resulted in an adjusted population of 192,423 service and a modified sample of 4,651 services. The dollar amount of duplicate payments was only included in the overall summary of findings for recovery.

FINDINGS

Our finding for recovery of $861,133.93 resulted from overpayments in four categories. The category of finding, the number of instances found, the basis for the overpayment, and the dollar amount overpaid are detailed in the sections below.

Category I. Lack of Physician Certification

Pursuant to OAC Section 5101:3-15-05, 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 the ODHS 3452 Physician Certification form 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 serves as the document to validate the medical necessity of the transportation service. The physician certification is analogous to a physician's order or a prescription for medication. 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.

Our review of patient records for the 30 days randomly selected showed a lack of documentation to support the service billed. The two primary areas in which the records did not meet the requirements for transportation services were (1) the patient record did not contain the required physician certification or (2) the patient record contained an unsigned physician certification. We found 1,057 records out of a total of 4,651 records where the physician certification was not present or the physician certification was not signed.

Other evidence caused us to question the medical necessity of the instances lacking a physician's certification form or a physician's signature. For example, transportation records of patients without physician certification forms also lacked any corroborating evidence that would have supported the medical need for ambulette transport. For those instances lacking a physician's signature on the certification form, Section 17 of the form (which is used to describe the medical condition of the patient and contains check blocks for such descriptors as "needs wheelchair assistance," "bed confined before and after trip," "needs to be restrained," etc.) was generally not completed, nor was Section 18, which provides information on why the patient cannot be transported by common carrier.

The failure to comply with requirements to have a signed physician certification and the lack of any corroborating evidence to support the medical necessity of the services led us to conclude that the provider was ineligible for reimbursement from the Medicaid program.

We projected the error rate found for unsigned or no physician certifications in the sample to the total population of services billed and reimbursed.

A finding for recovery is made for $576,598.11 , which represents the projected overpayment in this category.

Category II. 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.

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

The review of our statistical random sample of 30 days identified 164 records where the Provider billed and was reimbursed by ODHS for transportation services; however, the provider was unable to provide documentation to verify the service was performed.

We projected the error rate found for instances of no documentation in the sample to the total population for all services that were billed and reimbursed.

A finding for recovery is made for $159,250.21, which represents the projected overpayment amount for unsubstantiated services.

Category III. No Trip Log

Pursuant to OAC Section 5101:3-15-05, medical transportation providers must maintain records which fully describe the extent of services provided. Again, according to this section, one of the records that must be maintained is the trip log which states the date of service, time of call, name(s) of attendant(s), time of pickup, name(s) of client(s), name of driver, departure/destination, and loaded mileage.

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 30 days identified 29 records where the Provider billed and was reimbursed by ODHS for transportation services; however, there was no trip log provided to indicate the service was performed.

We projected the error rate found for instances where no trip logs existed in the sample to the total population for all services that were billed and reimbursed.

A finding for recovery is made for $32,110.71 , which represents the projected overpayment amount for unsubstantiated services.

Category IV. Duplicate Payments

Pursuant 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.

The review of our statistical random sample of 30 days identified 386 records where the provider billed and was reimbursed for duplicate services for the same recipient for the same date of service and procedure code. A review of medical records indicated only one service performed. Therefore, there was an overpayment on the duplicate service.

We then ran a computer analysis of the provider's paid claims to identify all duplicate payments. All of the duplicate payments resulted because the provider billed manually and on tape for the same service. Since the duplicates found were exact matches with identical payment amounts, we made a finding for recovery for half of the reimbursement received.

A finding for recovery is made for $91,363.86[3], which represents the amount reimbursed to the provider for the duplicate services. An additional finding for recovery of $1,811.04 is made for no physician certification and no documentation errors found in the duplicate sample cases that were over and above the duplication error. The duplicate billings, as discussed on page 5 in the methodology section, were not included in other billing error projections to avoid an over projection.

Category V. Reportable Conditions

Our review noted four other problem areas as weaknesses within the transportation records. These deficiencies were brought to the providers attention during this review. We are not seeking recovery of any payments made in connection with these problems. However, the projected overpayment for these deficiencies resulted in $105,823.52.

The four areas where the provider did not meet the compliance criteria of medical necessity or minium requirements of the program are listed below together with recommendations intended to prevent future instances of noncompliance and lessen the risk of future overpayments.

Copied Physician Certification Forms

The Transportation Manual, Section AMB.1111., Documentation Requirements (3) states, "The original physician certification form documenting the medical necessity of the transport must be maintained in the providers records."

During the review it was noted that the Providers records contained many copied certification forms. This led the auditor to question if these certifications were copied from previous certification forms, since most of the patients were transported numerous times.

Recommendation: The Provider should initiate controls to ensure that the original physician certification is placed in the transportation record.

Undocumented Prior Authorizations

The Transportation Manual, Section AMB.1109.2 and OAC Section 5101:3-15-02, state, "Prior authorization will only be given in instances when exceptional circumstances require special authorization. Authorization for services requiring prior authorization must be obtained from the Department before the service is rendered. All requests must be in writing."

[3]Because this finding was not projected from a sample, it was calculated separately from the $767,959.03 projected overpayment shown in Appendix I.

A prior authorization request form confirms that the recipient is in need of the medical transportation service for non-emergency transports involving long-term facility residents from:

- a long-term care facility to an ambulatory setting;
- a long-term care facility to an office;
- a long-term care facility to a patient's residence; and
- one long-term care facility to another long-term care facility.

During the review, we requested the original prior authorizations; however, according to the billing manager the procedure was to return the prior authorizations to ODHS. The billing manager stated per instructions from ODHS the original authorizations were returned and a copy was not maintained. Evidence of the prior authorizations being granted was seen in a designated field on the MMIS claims history.

Recommendation: The provider should initiate controls to ensure that the original prior authorization form is placed in the transportation record and a copy sent to ODHS.

Questionable Need for Ambulette in Lieu of Common Carrier

The Transportation Manual, Section AMB.1104., states, "ambulette services are determined to be medically necessary if an individual's medical condition does not require ambulance services and does not permit transportation by automobile, bus, or other standard mode of transportation."

During the review it was noted that several patients were ambulatory and could have been transported by use of a common carrier. For example, we noted one instance where the driver indicated that the patient had a rash and the provider still transported the patient by ambulette and billed the Medicaid program.

Recommendation: The Provider should carefully review their transportation records and refrain from billing for transporting patients who could use a common carrier (i.e., bus, taxi, automobile).

Medical Necessity Not Fully Documented

The Transportation Manual, Section AMB.1101., states, "A physician must certify on the ODHS 3542 Physician Certification Form all ambulance and ambulette/wheelchair vehicle transportation services to be medically necessary."

During the review it was noted that several certification forms, although properly signed by the physician, lacked the completion of Section 17, which describes the medical condition of the patient and contains check blocks for such descriptors as "needs wheelchair assistance," "bed confined before and after trip," "medical supervision en route", etc.

Recommendation

The Provider should initiate controls to ensure that the Physician Certifications are filled out completely.

CONCLUSION

Based on the review, findings for recovery are in the amount of $861,133.93. The Provider was afforded the opportunity to review the draft report and submit a written response and/or additional documentation to rebut the findings. The Provider submitted additional documentation on January 12, 2000, which was used to revise the finding for the final report. The Provider is aware of the final amount and reason for the findings. In addition, the Provider is aware that if payment is not made within 45 days of receipt of this report, the Attorney General's Office will be asked to collect the finding amount.

APPENDIX I

Summary of Record Analysis of Medic One, Inc.
For the period January 1, 1996 to March 31, 1999
Including Adjustments for Duplicate Payments

Description	Audit Period January 1, 1996 - March 31,1999
Total Amount Paid by Medicaid for Transportation Services	**$ 3,763,278.05**
Adjusted Total Amount Paid by Medicaid for Transportation Services	**$3,580,550.33**
Number of Transportation Services	**203,423**
Adjusted Number of Transportation Services	**192,133**
Type of Examination	**Statistical Random Sample of 30 Days of Transportation Services (See Table 1)**
Number of Transportation Services Sampled	**5,037**
Adjusted Number of Transportation Services Sampled	**4,651**
Amount Paid for Services Sampled	**$93,408.53**
Adjusted Amount Paid for Services Sampled	**$87,112.83**
Projected Overpayment From Adjusted Statistical Sample	**$767,959.03**[4]
Upper Limit at 95% Confidence Level	**$908,784.64**
Lower Limit at 95% Confidence Level	**$627,133.42**

[4]This total projected overpayment of $767,959.03 does not include (1) the $91,363.86 overpayment for duplicate payments because the latter overpayment was based on an analysis of all (100 percent) of the provider's paid claims and not projected from a sample, and (2) the $1,811.04 overpayment for missing documentation and physician certificates that we found in our sample after correcting for duplicate payments. The total finding for recovery of $861,133.93 is the sum of these three overpayments.

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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:	Medic One, Inc. 8391 Blue Ash Road Cincinnati, Ohio 45236
Provider Number:	0132618
Review Period:	January 1, 1996 through March 31, 1999
AOS Finding Amount:	$861,133.93
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.

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

MEDIC ONE, INC.

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
MAY 25, 2000