



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements Made to Cancer Treatment Center

A Compliance Report prepared by the

**Fraud, Waste and Abuse
Prevention Division**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Mary Alice Streeter, Administrator
Cancer Treatment Center
2376 Benden Drive
Wooster, Ohio 44691

Re: Medicaid Review of
Provider Number 0792512

Dear Ms. Streeter:

We have completed our review of selected medical services rendered to Medicaid recipients by Cancer Treatment Center for the period January 1, 1995 through September 30, 2000. We identified overpayments in the amount of \$24,908.29, which have been repaid to the Ohio Department of Job and Family Services. We appreciate your prompt response. The attached report details the basis for the overpayment.

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

Yours truly,

JIM PETRO
Auditor of State

February 20, 2001

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ABBREVIATIONS

CPT	Physicians’ Current Procedural Terminology
FWAP	Fraud, Waste and Abuse Prevention (Division of)
MMIS	Medicaid Management Information System
OAC	Ohio Administrative Code
ODJFS	Ohio Department of Job and Family Services
ORC	Ohio Revised Code

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SUMMARY OF RESULTS

The Auditor of State performed a review of Cancer Treatment Center, Provider #0792512, doing business at 2376 Benden Drive, Wooster, Ohio 44691. During this review, findings were identified in the amount of \$24,908.29. The cited funds are recoverable as they resulted from Medicaid claims submitted by Cancer Treatment Center, for services that were improperly billed and reimbursed under the Ohio Medicaid Handbook, and Ohio Administrative Code (OAC).

BACKGROUND

In the State of Ohio, the Ohio Department of Job and Family Services (ODJFS) is responsible for administering the Medicaid Program. Within federal guidelines, ODJFS establishes reimbursement policy, service rules and regulations, arranges with providers to render their services to patients, and pays provider claims.

PURPOSE, SCOPE AND METHODOLOGY

The Auditor of State has identified billings for multiple units of services for the same patient on the same day as an area where some providers could be over billing. A computer analysis of this issue resulted in the selection of providers for audit.

The purpose of our review was to determine whether this Provider's claims for reimbursement of radiation treatment management services billed with multiple units of service were made in compliance with regulations and to calculate an overpayment amount in the event of any noncompliance. Our review was limited to include only selected services billed with multiple units of service, which the Provider rendered to Medicaid recipients during the period January 1, 1995 through September 30, 2000.

To determine whether a noncompliance occurred, we reviewed paid claim information¹ residing in ODJFS' Medicaid Management Information System (MMIS) for instances where a provider billed and was paid for more than one unit of service when data and/or the definition of the code billed indicated only one unit or service should have been billed. In such instances, an overpayment would be made on the difference between the amount reimbursed the provider and the established maximum fee allowed for one unit of service.

We utilized ODJFS' Medicaid Provider Handbook and the Ohio Administrative Code (OAC) as guidance in determining the applicable regulations and applicable reimbursement rates. Work performed on this review was done in accordance with government auditing standards.

¹The computerized paid claims data included provider number, recipient name, recipient number, procedure codes, warrant number, date of service, amount billed and paid, and overpayment amount.

FINDINGS

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. . .

Chapter 3336, V (II-87) of the Ohio Medicaid Handbook, states...”for the reimbursement for the professional services associated with radiation treatments, the provider must bill the appropriate CPT code for clinical treatment management...” and “...the management level billed by the provider must follow the definitions in the CPT.” According to definitions promulgated by the American Medical Association for CPT codes 77427 to 77499, the radiation treatment management consists of five fractions (treatment sessions) delivered during one week, regardless of the time intervals between the treatments.

We reviewed two radiation treatment management procedure codes (CPT codes 77425² and 77530) billed by the Provider. The review showed 92 paid claims where the Provider billed between 2 and 10 units of service for one weekly radiation treatment management code. The Provider should have billed only one unit of service for each weekly period that the service was performed.

The amount of the overpayment received by the Provider resulted from how ODJFS calculates the Medicaid maximum fee. For the example of CPT code 77430, the maximum reimbursable fee was calculated by multiplying the number of units billed (five in this case) by the established maximum fee allowed for the service (\$147.39)³. The Provider then received the billed charge (\$500) or the calculated Medicaid maximum (\$147.39 x 5 = \$736.95), whichever was less. In this instance, however, the Provider should have only billed and been reimbursed for one unit of service. Therefore, an overpayment occurred for the difference between what was paid to the Provider and the established maximum fee for one unit (\$500 - \$147.39 = \$352.61 in this example).

A finding is made for a total of \$24,908.29. This represents the difference between the Provider’s reimbursement for five units of services under the three CPT codes when reduced to the established maximum fee for one unit.

PROVIDER’S RESPONSE

A draft of this report was mailed to the Provider on December 14, 2000 to afford the Provider an opportunity to provide additional documentation or otherwise respond in writing. The Provider responded on December 30, 2000 by acknowledging that a billing error had occurred and has submitted a check in the amount of \$24,908.29 to the Ohio Department of Job and

² CPT code 77425 was replaced by 77427.

³ Maximum fees are periodically revised. This was the maximum fee for this code from January 1, 1997 through March 31, 2000.

Family Services.



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CANCER TREATMENT CENTER

WAYNE 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
FEBRUARY 20, 2001**