



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  
Lifecare Ambulance, 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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Maud de la Porte, President  
Lifecare Ambulance, Incorporated  
598 Cleveland Street  
Elyria, Ohio 44035

Re: Medicaid Review of Provider Number #0634648

Dear Ms. de la Porte:

We have completed our review of selected medical services rendered to Medicaid recipients by Lifecare Ambulance, Inc., for the period January 1, 1999 through June 30, 2000. We identified findings in the amount of \$8,197.97, which the provider has paid in full to the Ohio Department of Job and Family Services. The attached report details the basis for the findings.

We appreciate your cooperation in resolving the matters identified by our audit. 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 2, 2001



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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 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***

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The Auditor of State performed a review of Lifecare Ambulance, Inc., Provider #0634648, doing business at 598 Cleveland Street, Elyria, Ohio 44035. We identified findings amounting to \$8,197.97. The cited funds are recoverable as they resulted from Medicaid claims submitted by Lifecare Ambulance for services 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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The Auditor of State, working in cooperation with the Ohio Department of Job and Family Services (ODJFS), 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. 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.."

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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 November 20, 2000 with Maud de la Porte, President, Herb de la Porte, Vice President and Gaye Smith, Billing Supervisor.

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)<sup>1</sup>,
- Center for Medicare and Medicaid Services<sup>2</sup> (CMS) Common Procedural Coding System (HCPCS), and
- ODJFS' local level codes.

The scope of our review was originally limited to claims for which the Provider was paid by Medicaid during the period January 1, 1996 though June 30, 2000. Due to flood damage at the Provider's storage facility that damaged nearly all the records prior to 1999, we revised our audit period to January 1, 1999, through June 30, 2000. To facilitate an accurate and timely review of paid claims, a statistical random sample of 289 transaction control numbers (TCN's), which is the identifier for a transportation service bill for one recipient, was taken. The 289 TCN's represented

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

<sup>2</sup>The Center for Medicare and Medicaid Services (formerly known as HCFA) has federal oversight of the Medicaid program.



1,098 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.

For the January 1, 1999 through June 30, 2000 review period, the Provider was reimbursed \$417,226.96 for 28,434 Medicaid ambulette services, including \$16,586.34 for the 1,098 services in our sample. Table 1 summarizes the transportation services included in our sample.

**Table 1: Transportation Services Billed by and Reimbursed to Lifecare Ambulance, Inc. for 180 TCN's Reviewed Audit Period January 1, 1996 to June 30, 2000**

Procedural Definition	Procedure Code	Number of Services	Amount of Reimbursement
Non-emergency ambulette transport	A0130	550	\$12,985.50
Non-emergency ambulette, loaded mileage, one-way	Z0160	548	\$3,600.84
<b>TOTALS</b>	-----	<b>1098</b>	<b>\$16,586.34</b>

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 government auditing standards. Detailed below are the results of this review.

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## **RESULTS**

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We identified findings in two areas: (1) Documentation Signed After the Date of Payment from Medicaid and (2) Duplicate Payments. The total findings for both categories amounted to \$8,197.97. A discussion of the bases for the findings and the amount overpaid follows

### **Documentation Signed After the Date of Payment**

According to the Ohio Administrative Code Section 5101:3-15-05<sup>3</sup>, “Medical transportation providers must maintain records which fully describe the extent of services provided.” This includes a log which states the date of service, destination, name of the driver and the name(s) of the client(s), all billing records which show the name of the name(s) of the client(s) and the services given, the original physician certification documenting the necessity of the transport, and copies of any prior authorizations for the transport.

Furthermore, Ohio Administrative Code Section 5101:3-1-172 (E) states the Provider must “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 based upon those records or until any initiated audit is completed, whichever is longer.”

A physician certification form is one of the forms the Provider must maintain in order to receive reimbursement for services. Per the Ohio Medicaid Transportation Services Handbook, Section AMB. 1101, the “physician must certify on the ODJFS 3452 Physician Certification Form all ambulance and ambulette/wheelchair vehicle transportation services to be medically necessary. The physician certification must state the medical problems which contraindicate transportation by any other means *on the date of transport* (emphasis added).”

During our review of the statistical random sample of 289 TCN’s, we identified 11 TCNs which contained physician certifications that were signed after the date of the Provider’s reimbursement and after the date our audit began. Therefore, these records were not maintained according to the Medicaid rules for reimbursement.

We projected the error rate for the 11 TCN’s with post-dated certifications across the total population of transportation services. This resulted in a projected overpayment of \$26,598.09 to \$7,143.80<sup>4</sup>. Because this range is larger than we require when projecting a sample result, our finding is for \$7,143.80 -- the lower limit of this 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

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

<sup>4</sup>Our sample results were projected to the Provider’s universe of claims for the audit period after removal of the duplicate claims. Therefore, our projected findings do not overlap.

amount had we reviewed all of the Provider's claims for the audit period.

## 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, 1999 through June 30, 2000, to determine if the Provider received two reimbursements for the same recipient on the same date of service for the same billed procedure. We then sent a list of these payments to the Provider for their review. The Provider agreed that some claims were duplicate payments, totaling \$1,054.17, and had been received in error. The other potential duplicate payments were actually second trips given to the same recipient on the same date of service, and billed separately from the first trip.

## Insufficient Medical Information

The Transportation Manual, Section AMB. 1101, states, "a physician must certify on the ODHS 3452 Physician Certification Form all ambulance and ambulette/wheelchair vehicle transportation services be medically necessary. The physician certification must state the medical problems which contraindicate transportation by any other means on the date of transport."

Our review noted one other deficiency within the Provider's transportation records. Out of the 289 randomly selected TCN's, we found 43 TCN's in our sample that lacked information necessary to completely meet the compliance criteria for determining medical necessity. In particular, the physician's certification form should include whether the patient was non-ambulatory at the time of transport and (1) needed assistance, (2) needed wheelchair assistance, (3) was bed confined before and after trip, (4) confined to bed 18 or more hours per day, (5) needed to be restrained (6) needed medical supervision en route, or (7) other. Although we did not calculate findings for this deficiency, our recommendation is intended to prevent future instances of non-compliance and lessen the risk of overpayments. This deficiency was brought to the Provider's attention during our review.

**Recommendation:** The Provider should ensure that the original physician certification is completely filled out by the physician and describes in detail why the patient needs to be transported by wheelchair/ambulette.

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## **PROVIDER'S RESPONSE**

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We solicited the Provider's response to our findings in June 2001, and the Provider responded on July 18, 2001. The Provider stated that they agreed to the findings after reviewing their documentation. The Provider repaid \$8,197.97 to the Ohio Department of Job and Family Services on August 1, 2001.

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**LIFECARE AMBULANCE, INC.**

**LORAIN 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 2, 2001**