STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

# Ohio Medicaid Program

## *Review of Medicaid Provider Reimbursements Made to Olympia Medical Clinic*

A Compliance Report prepared by the

**Fraud, Waste and Abuse**
**Prevention Division**

*February 2001* *AOS/FWAP-01-032C*

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

Barbara Sobers, Clinic Manager
Olympia Medical Clinic
3361 East 55th Street
Cleveland, Ohio 44127

Re: Medicaid Review of
Provider Number 0719824

Dear Ms. Sobers:

We have completed our review of selected medical services rendered to Medicaid recipients by Olympia Medical Clinic for the period January 1, 1995 through September 30, 2000. We identified overpayments in the amount of $35,615.91, which must be repaid to the Ohio Department of Job and Family Services. The attached report details the basis for the overpayment.

In light of your agreement that an overpayment occurred and your request to repay over time, we are referring this matter to the Ohio Attorney General's Office, which has authority to make payment arrangements. In the event you are able to repay in full, please use the Provider Remittance Form at the back of this report to assure that you receive proper credit.

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 22, 2001

# TABLE OF CONTENTS



## 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 |

**This Page Intentionally Left Blank**

## *SUMMARY OF RESULTS*

The Auditor of State performed a review of Olympia Medical Clinic, Provider #0719824, doing business at 3361 East 55th Street, Cleveland, Ohio 44127. During this review, findings were identified in the amount of $35,615.91. The cited funds are recoverable as they resulted from Medicaid claims submitted by Olympia Medical Clinic, 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) has responsibility 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 hospital inpatient 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 information[1] 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.

[1]The 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, II (II-2) of the Ohio Medicaid Handbook, states..."for the reimbursement of visits provided to inpatients, the provider must bill the appropriate code listed in the CPT under hospital inpatient services in accordance with the instructions and definitions in the CPT." According to definitions promulgated by the American Medical Association for CPT codes, " (99222, 99223, 99231, 99232, 99233 and 99238), when the patient is admitted to the hospital as an inpatient in the course of an encounter in another site of service (e.g., hospital emergency department, observation status in a hospital, physician's office, nursing facility), all evaluation and management services provided by that physician in conjunction with that admission are considered part of the initial hospital care when performed on the same date as the admission he/she provided in the other sites of service as well as in the inpatient setting. Evaluation and management services on the same date provided in sites other than the hospital that are not related to the admission should not be reported separately.

The review showed 301 paid claims where the Provider billed between 2 and 24 units of service for one hospital inpatient services code, for the same patient and for the same date of service. For example, the Provider billed for performing CPT code 99223[2], with 2 to 24 units of service in a single day for the same patient. For this code, a unit of service represents all evaluation and management services provided by that physician in conjunction with that admission and are considered part of the initial hospital care when performed on the same date as the admission. The Provider should have billed only one unit of service for each day 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 99223, the maximum reimbursable fee was calculated by multiplying the number of units billed (for example, five) by the established maximum fee allowed for the service ($63.92)[3]. The Provider then received the billed charge ($635.00) or the calculated Medicaid maximum ($63.92 x 5 = $319.60), 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

[2] According to the American Medical Association, services billed under CPT code 99223 are: Initial hospital care, per day, for the evaluation and management of a patient, which requires these three key components: a comprehensive history; a comprehensive examination; and medical decision making of high complexity. Counseling and/or coordination of care with other providers or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the problem(s) requiring admission are of high severity. Physicians typically spend 70 minutes at the bedside and on the patient's hospital floor or unit

[3] Maximum fees are periodically revised. This was the maximum fee for this code from January 1, 1997 through December 31, 1999.

maximum fee for one unit ($319.60 - $63.92 = $255.68 in this example).

A finding is made for a total of $35,615.91. This represents the difference between the Provider's reimbursement for between 2 and 24 billed units of service and the established maximum fee for one unit.

## *PROVIDER'S RESPONSE*

A draft of this report was mailed to the Provider on January 9, 2001 to afford the Provider an opportunity to provide additional documentation or otherwise respond in writing. On January 17, 2001 the Provider responded by stating their previous billing clerk had made a billing error. The Provider further requested that they be allowed to make restitution by having monies automatically withdrawn from their checking account. We told the Provider that any such payment arrangements would need to be made through the Revenue Recovery Section of the Attorney General's Office. Thus, we are referring this report to them for their attention.

**This Page Intentionally Left Blank.**

# 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:** | Olympia Medical Clinic<br>3361 East 55th Street<br>Cleveland, Ohio 44127 |
| **Provider Number:** | 0719824 |
| **Review Period:** | January 1, 1995 through September 30, 2000 |
| **AOS Finding Amount:** | $35,615.91 |
| **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

# OLYMPIA MEDICAL CENTER

## CUYAHOGA 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 22, 2001**