



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements Made to Radiology Incorporated

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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Edward E. Frey, M.D., President
Radiology Incorporated
4010 N. Hampton Drive
Powell, Ohio 43065

Re: Medicaid Review of
Provider Number 0347977

Dear Dr. Frey:

We have completed our review of selected medical services rendered to Medicaid recipients by Radiology Incorporated for the period January 1, 1995 through September 30, 2000. We identified overpayments in the amount of \$94,753.72, 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

SUMMARY OF RESULTS	1
BACKGROUND	1
PURPOSE, SCOPE, AND METHODOLOGY	1
FINDINGS	2
CONCLUSION	2
PROVIDER REMITTANCE FORM	5

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 Radiology Incorporated, Provider #0347977, doing business at 4010 N. Hampton Drive, Powell, Ohio 43065. During this review, findings in the amount of \$94,753.72 were identified. The cited funds are recoverable as they resulted from Medicaid claims submitted by Radiology Incorporated, 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 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 could have been performed. 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 three radiation treatment management procedure codes (CPT codes 77420, 77425, 77430)² billed by the Provider. The review showed 187 paid claims where the Provider billed 5 units of service for one weekly radiation treatment management code. The Provider should have billed one unit of service for the 5 treatment sessions instead of 5 units 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 received the lower amount of the billed charge (\$689) and the calculated Medicaid maximum (\$147.39 x 5 = \$736.95). 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 (\$689 - \$147.39 = \$541.61 in this example).

A finding for recovery is made for a total of \$94,753.72. This represents the difference between the Provider’s reimbursement for five units of service and the established maximum fee for one unit.

PROVIDER’S RESPONSE

A draft of this report was sent 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 January 08, 2001 that fractions of service had been erroneously reported in the units field of their claims, because Medicaid billing guidance was unclear. The Provider further requested an opportunity repay the finding in six equal

² CPT codes 77420, 77425 and 77430 have been replaced by CPT code 77427.

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

installments. 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.

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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: Radiology Incorporated
4010 N. Hampton Drive
Powell, Ohio 43065

Provider Number: 0347977

Review Period: January 1, 1995 through September 30, 2000

AOS Finding Amount: \$94,753.72

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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RADIOLOGY INCORPORATED

FRANKLIN 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**