



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

*Review of Medicaid Provider Reimbursements made to
Dunlap Memorial Hospital*

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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Dunlap Memorial Hospital
Attn: Randall Evans, Vice President and CFO
832 South Main Street
Orrville, Ohio 44667

Re: Medicaid Review of
Provider Number 2370250

Dear Mr. Evans:

We have completed our review of selected medical services rendered to Medicaid recipients by Dunlap Memorial Hospital for the period January 1, 1995 through March 31, 2000. We identified \$13,931.91 in overpayments. The attached report details the basis for the overpayment.

Following review of a draft copy of this report, it was acknowledged that a billing error by your billing agency had occurred and full restitution would be submitted within 45 days of release of this report. Please be advised that in accordance with Section 131.02 of the Ohio Revised Code, if payment is not made within those 45 days, the overpayment will be referred to the Ohio Attorney General's Office for collection.

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 Johnnie L. Butts, Jr., Chief, Fraud, Waste and Abuse Prevention Division at (614) 466-3212.

Yours truly,

JIM PETRO
Auditor of State

July 27, 2000

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ABBREVIATIONS

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

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SUMMARY OF RESULTS

The Auditor of State performed a review of Dunlap Memorial Hospital, Provider #2370250, doing business at 832 South Main Street, Orrville, Ohio 44667. During this review, findings in the amount of \$13,931.91 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by Dunlap Memorial Hospital for services that were improperly billed and reimbursed under the Ohio Medicaid Handbook and Ohio Administrative Code (OAC). Therefore, pursuant to Ohio Revised Code Section (ORC)117.28, a finding for recovery is issued against the Provider for improperly received monies in the amount of \$13,931.91.

BACKGROUND

In the State of Ohio, the Ohio Department of Job and Family Services (ODJFS) is delegated with the responsibility of 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 service 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 this review was to determine whether the Provider's claims for reimbursement of medical 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 included only selected services billed with multiple units of service , which the Provider rendered to Medicaid recipients during the period January 1, 1995 through March 31, 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.

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.

Work performed on this review was done in accordance with government auditing standards.

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. . .

We reviewed five various emergency room CPT codes (99281-99285) billed by the Provider. The review showed 165 paid claims where the Provider billed multiple units of service for one emergency room visit code, for the same patient for the same date of service. For example, the Provider billed for performing CPT code 99285; *Emergency department visit for the evaluation and management of a patient*, with 10 units of service in a single day for the same patient. For this code, a unit of service is one patient visit. The Provider should have billed only one unit of service for the date performed because only one visit occurred.

The amount of the overpayment received by the Provider resulted from how ODJFS calculates the Medicaid maximum fee. For the example of CPT code 99285, the maximum reimbursable fee was calculated by multiplying the number of units billed (10 in this case) by the established maximum fee allowed for the service (\$75.34)². The Provider then received the billed charge (\$183.85) or the Medicaid maximum (\$75.34 x 10 = \$750.34), whichever is less. In this instance, 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 (\$183.85-\$75.34 = \$108.51 in this example).

CONCLUSION

A finding for recovery is made for \$13,931.91 for the 165 instances in which the Provider billed and was paid for ten or more units of service in lieu of the established maximum fee for one unit.

A draft of this report was mailed to the Provider on June 7, 2000 to afford the Provider an opportunity to provide additional documentation or otherwise respond in writing. The Provider's response, dated June 28, 2000, concurred with the findings and stated billing errors were caused by transmittal errors by their electronic billing vendor. Further, that full restitution of the overpayment would be made after our report was finalized. The Provider is aware that if payment is not made to ODJFS within 45 days of the finalization of this report, this matter will be referred to the Ohio Attorney General's office for collection.

²Maximum fees are periodically revised. This was the maximum fee for this code from May 1, 1994 through December 31, 1996.

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: Dunlap Memorial Hospital
832 South Main Street
Orrville, Ohio 44667

Provider Number: 2370250

Review Period: January 1, 1995 through March 31, 2000

AOS Finding Amount: \$13,931.91

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.

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DUNLAP MEMORIAL HOSPITAL

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
JULY 27, 2000**