



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

*Review of Medicaid Provider Reimbursements Made to
HCMC, Inc./DBA We Care Medical*

A Compliance Report prepared by the

**Fraud, Waste and Abuse
Prevention Division**



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

Howard Coomes, President
HCMC, Inc./DBA We Care Medical
7759 Montgomery Road
Cincinnati, Ohio 45236

Dear Mr. Coomes:

We have completed our audit of selected medical services rendered to Medicaid recipients by HCMC, Inc. (doing business as We Care Medical) for the period January 1, 1994 through March 31, 2000. We identified overpayments in the amount of \$85,026.42, which must be repaid to the Ohio Department of Human Services. A "provider remittance form" is located at the back of this report for remitting payment.

Please be advised that in accordance with Ohio Revised Code Section 131.02, if payment is not made to the Ohio Department of Human Services within 45 days from the date of this report, this matter will be referred to the Ohio Attorney General's office for collection.

A copy of this report is being sent to the Ohio Department of Human 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

June 29, 2000

Enclosure

TABLE OF CONTENTS

SUMMARY OF RESULTS	1
BACKGROUND	1
PURPOSE, SCOPE, AND METHODOLOGY	1
FINDINGS	2
Services Billed After recipient's Death	2
CONCLUSION	3
PROVIDER REMITTANCE FORM	5

ABBREVIATIONS

CPT	Current Procedural Terminology
DBA	Doing Business As
FWAP	Fraud, Waste and Abuse Prevention (Division of)
HCPCS	HCFA Common Procedure Coding System
LTCF	Long Term Care Facility
MMIS	Medicaid Management Information System
OAC	Ohio Administrative Code
ODHS	Ohio Department of Human Services
ORC	Ohio Revised Code
TCN	Transaction Control Number

This Page Intentionally Left Blank

SUMMARY OF RESULTS

The Auditor of State performed a review of HCMC, Inc./DBA We Care Medical, Provider #0991566, doing business at 7759 Montgomery Road, Cincinnati, Ohio 45236. During this review, findings

in the amount of \$85,026.42 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by HCMC, Inc. for ineligible services 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 \$85,026.42.

BACKGROUND

The Auditor of State, working in cooperation with the Ohio Department of Human Services (ODHS), performs audits 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. Medical necessity is the fundamental concept underlying the program.

The Ohio Department of Human Services (ODHS) administers the Medicaid program. The rules and regulations that providers must follow are issued by ODHS in the form of an Ohio Medicaid Provider Handbook. Pursuant to the Medicaid handbook and the Ohio Administrative code¹, providers are required to keep records which will disclose the extent of services rendered and must provide those records upon request. Additionally, statistical methods may be used to audit providers and to determine any amount of overpayment. Overpayments found during the course of a review are recoverable at the time of discovery.

PURPOSE, SCOPE AND METHODOLOGY

The purpose of this review was to determine the extent of services for billed claims under HCPCS code Y2076 (Oxygen Concentrator, LTCF or Residence) to Medicaid for dates of services after the date of the recipient's death. Our review included only selected services which the Provider billed during the period January 1, 1994 through March 31, 2000.

We informed the Provider by letter they had been selected for a compliance review. An Entrance Conference was held on April 7, 2000 at the Provider's facility with Howard Coomes, Owner.

¹Ohio Medicaid Provider Handbook, Chapter 3334, Section VI, and Ohio Administrative Code Section 5101:3-1-27.

A computer match was performed between information received from the Department of Vital Statistics and paid claim information from ODHS' Medicaid Management Information System (MMIS), for instances where the Provider billed and was reimbursed for services after the date of the recipient's death. We then conducted an on-site review of 50 randomly selected Transaction Control Numbers (TCN's) to verify these claims and determine what, if any, services were provided.

We utilized ODHS' 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 generally accepted government auditing standards.

At the conclusion of our review, the Provider was afforded an opportunity to comment on our results. Subsequent to receipt of the draft report, the Provider's legal representative submitted a response, which was used to adjust the findings for the final report.

FINDINGS

Our finding for recovery of \$85,026.42 resulted from overpayments in one provider service claim category. The category of our finding, the number of instances found, the basis for the overpayment, and the dollar amount overpaid are detailed in the section below.

Services Billed After Recipient's Death

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section II, Subsection (B), (OAC Section 5101:3-1-01): "Medical necessity" is the fundamental concept underlying the Medicaid program. Medically necessary services are services which are necessary for the diagnosis and treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity.

Pursuant to Section V, Subsection (A) (OAC Section 5101:3-1-60), reimbursement is made only for those covered Medicaid services actually needed and received by eligible Medicaid recipients.

A computer match between the Department of Vital Statistics and ODHS' MMIS identified 477 TCNs with a total reimbursement of \$85,026.42 for services rendered after recipients' dates of death. To validate the accuracy of our computer analysis, we randomly reviewed 50 TCN's for 37 recipients with services billed and reimbursed after their dates of death. Billings ranged from 1 day to two years after the recipients' dates of death. During our review, we found in all 50 instances, no services were provided, and the services were erroneously billed after the recipients' dates of death.

Since all the services in our sample will billed erroneously, a \$85,026.42 finding for recovery is made for all 477 services billed after the recipients' dates of death. This represents the total amount reimbursed to the Provider for services allegedly performed in the months following the recipients'

date of death.

According to the Provider, the erroneous billings after the date of death occurred because of poor communications between sales and service personnel and billing personnel. The billing system automatically generates the monthly billings unless sales personnel report a change in service so billing personnel can make the system input.

CONCLUSION

Based on the review, findings for recovery are in the amount of \$85,026.42. A draft report was mailed to the Provider on May 1, 2000. The Provider was given an opportunity to review the draft report and to provide additional documentation or otherwise respond in writing. The finding amount includes an adjustment based on information received on June 6, 2000 from the Provider's legal representative.

The Provider acknowledged that an overpayment occurred, and is aware of the final amount and reason for the findings. At the request of the Provider's attorney, we are advising the Attorney General's office that the Provider is disputing whether the overpayment can be recouped based on the company having filed bankruptcy in 1997.

The provider was encouraged to develop adequate controls to assure that all future billings are accurate.

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 Human Services
Post Office Box 182367
Columbus, Ohio 43218-2367

Provider: HCMC, Inc./DBA We Care Medical
7759 Montgomery Road
Cincinnati, Ohio 45236

Provider Number: 0991566

Review Period: January 1, 1994 through March 31, 2000

Finding Amount: \$85,026.42

Date Payment Mailed: _____

Check Number: _____

Audit Reason: _____

IMPORTANT: To ensure that our office properly credits your payment, please also fax this remittance form to: Charles Carle at (614) 728-7398.

This Page Intentionally Left Blank



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

HCMC, INC./DBA WE CARE MEDICAL

HAMILTON 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
JUNE 29, 2000**