



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

*Review of Medicaid Provider Reimbursements made to
Apple Lane Ambulette Service*

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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Don Van Orman, Owner
Apple Lane Ambulette Service
672 Springmill Street
Mansfield, Ohio 44903

Dear Mr. Van Orman

We have completed our review of selected transportation services rendered by Apple Lane Ambulette Service to Medicaid recipients during the period January 1, 1996 through September 30, 1999. We identified findings for recovery in the amount of \$345,978.10. The findings represent Medicaid overpayments received which must be repaid to the Ohio Department of Human Services. Therefore, we request that a check be made payable to the Treasurer of State of Ohio and mailed to:

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

It is important to include the provider number on the check so that payment can be properly credited. In addition, please use the "remittance" sheet located in the back of this report when 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 of release of the final 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 State Medical Board and the Ohio Attorney General. If you have any questions, please feel free to contact Robert I. Lidman, Deputy Chief, Fraud, Waste and Abuse Prevention Division, at (614) 728-7216.

Yours truly,

JIM PETRO
Auditor of State

MAY 25, 2000

TABLE OF CONTENTS

SUMMARY OF RESULTS	1
BACKGROUND	1
PURPOSE, SCOPE AND METHODOLOGY	2
FINDINGS	4
Drivers Not Properly Certified	4
Failure to Provide Physician Certifications	5
Reportable Condition	6
CONCLUSION	7
APPENDIX I: Summary of Record Analysis for Apple Lane Ambulette Service	9
PROVIDER REMITTANCE FORM	11

ABBREVIATIONS

CPT	Physician's Current Procedural Terminology
EMT	Emergency Medical Technician
FWAP	Fraud, Waste and Abuse Prevention (Division of)
HCF	Health Care Financing Administration
HCPCS	HCF Common Procedure Coding System
MMIS	Medicaid Management Information System
ODHS	Ohio Department of Human Services
OAC	Ohio Administrative Code
ORC	Ohio Revised Code
TCN	Transaction Control Number

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SUMMARY OF RESULTS

The Auditor of State performed a review of Apple Lane Ambulette Service, Provider #0953517, doing business at 672 Springmill Street, Mansfield, Ohio 44903. Pursuant to

Section 117.28 of the Ohio Revised Code, we identified recoverable overpayments amounting to \$345,978.10. The cited funds are recoverable as they resulted from Medicaid claims submitted by Apple Lane Ambulette Service for services not meeting reimbursement rules under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code (OAC).

BACKGROUND

The Auditor of State, working in cooperation with the Ohio Department of Human Services (ODHS), 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. ODHS administers the Medicaid program. The rules and regulations providers must follow are issued by ODHS in the form of a Ohio Medicaid Provider Handbook.

ODHS' Medicaid Provider Handbook, Chapter 3334, General Information, Section II, Subsection (B), 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 ODHS' Transportation Services Handbook, which is part of the Ohio Medicaid Provider Handbook.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and the Ohio Administrative Code, 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.”

PURPOSE SCOPE AND METHODOLOGY

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 February 10, 2000 with Don Van Orman, Owner.

We utilized ODHS’ Ohio Medicaid Provider Handbook and the Ohio Administrative Code as guidance in determining the extent of services and applicable reimbursement rates. We obtained the provider’s claims history from ODHS’ 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)¹,
- Health Care Financing Administration’s² (HCFA) Common Procedural Coding System (HCPCS), and
- ODHS’ local level codes.

The scope of our review was limited to claims for which the Provider was paid by Medicaid during the period January 1, 1996 through September 30, 1999. To facilitate an accurate and timely review of paid claims, a statistical random sample of 99 transaction control numbers (TCN’s), which is the identifier for a transportation service bill for one recipient, was taken. The 99 TCN’s represented billings for 383 services. We examined the amounts reimbursed by ODHS and conducted an on-site review of the transportation records.

The Provider billed and was reimbursed \$9,789.60 for the 99 TCN’s in our sample. For the January

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

²HCFA has federal oversight of the Medicaid program.

1, 1996 through September 30, 1999 review period, the Provider was reimbursed \$509,587.79 for 31,695 Medicaid ambulette services. Table 1 summarizes the services included in our sample.

Table 1: Randomly Selected Sample of 99 TCN's Reviewed for Transportation Services Billed by and Reimbursed to Apple Lane Ambulette Service During the Audit Period January 1, 1996 to September 30, 1999

Procedural Definition	Procedure Code	Number of Services	Amount of Reimbursement
Non-emergency ambulette/wheelchair vehicle transport	A0130	192	4,344.32
Ambulette/wheelchair Loaded mileage, one-way	Z0160	191	5,445.28
TOTALS	-----	383	\$9,789.60

Source: Paid claims contained in ODHS' Medicaid Management Information System

We examined the amounts reimbursed by ODHS and conducted an on-site review of the transportation records. The review involved comparing the transportation records with the claims history from MMIS. The documents requested from the Provider for review included:

- A trip log which states 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.
- The original ODHS 3452 Physician's Certification form documenting the medical necessity of the transport.
- Copies of applicable ODHS 3142 Prior Authorization Request forms.
- 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. Additionally, we reviewed each driver's comport with local, state and federal laws and regulations.

In addition to our record review, we used a computer program that matched each claimed transport service with a corresponding Medicaid covered service. This program identified recipient transports that did not have a corresponding Medicaid covered service on the date of transport. We performed a test of these transports by contacting the provider at the destination point and requesting documentation to support that the patient in question was seen on the date of transport. The results of this test revealed no problems in this area. We also visually inspected an ambulette vehicle to

determine if the required equipment was in place.

A draft report was sent to the Provider on March 31, 2000. The Provider was given an opportunity to respond in writing and/or submit additional documentation to rebut the findings. The Provider submitted a response dated April 5, 2000.

FINDINGS

Work performed on this audit was done in accordance with generally accepted government auditing standards. Detailed below are the results of this review. We identified overpayments in two areas: (1) Drivers Not Properly Certified and (2) Missing Physician Certifications. A discussion of each area -- including the number of instances found, the basis for the overpayment, and the amount overpaid³ -- follows.

Drivers Not Properly Certified

The Transportation Manual, Section AMB.1004., Subsection B, and the Ohio Administrative Code Section 5101:3-15-01 states

Ambulette/wheelchair vehicle providers must certify that drivers meet the following qualifications:

- The qualifications of each driver comport with local, state and federal laws and regulations.
- Each driver has a current card issued as proof of successful completion of the "American Red Cross" (or equivalent) basic course in first-aid.

Requiring drivers to receive basic medical training helps protect patients in the event of a medical incident during transport.

During the Entrance Conference, we requested a listing of all employees and certifications for all drivers who provided transportation services. The provider had 13 drivers who provided services for the transports in our sample. We determined that seven drivers had not received American Red Cross training during our audit period. The Provider asserted that four of these drivers had been subsequently certified; however, ODHS' Office of Medicaid confirmed for us that certifications obtained after the date of transport are not valid. (Ohio Administrative Code 5101:3-15-01). We determined that patients had been transported by these drivers from five months to 14 months prior to the drivers' certification date.

³The individual overpayment amounts may not exactly sum to the total projected overpayment because of rounding. They are provided for reference purposes only.

The lack of certification for five drivers⁴ resulted in 108 transportation services in our sample being ineligible for reimbursement. We projected the error rate for the sampled services across the total population. This resulted a recoverable overpayment of \$140,164.20.

Failure to Provide Physician Certifications

Pursuant to OAC Section 5101:3-15-05, medical transportation providers must maintain records which fully describe the extent of services provided. One of the records that must be maintained is the original physician certification form documenting the medical necessity of the transport.

Completion of form 3452 (Physician Certification) is required by OAC Section 5101:3-15-02 in order for the transportation provider to be eligible for reimbursement for Medicaid services. This certification record serves as the document to validate the medical necessity of the transportation service.

The physician certification is analogous to a physician's order or a prescription. Just as a prescription is required in order for a pharmacy to dispense medications and must be maintained as a record kept by the pharmacy, the physician certification for transportation services is the document that validates the medical necessity to transport the patient and must be maintained as a record by the transportation provider.

During our review of patient records for the 99 randomly selected transaction control numbers (TCN's), we found 114 instances in which the physician certification was missing. Since the patient record did not have a physician certification, we were unable to validate the transportation was medically necessary,

After our initial record review, we supplied the provider with a listing of recipients with missing certifications. Subsequently, the provider obtained statements from physicians that these transports had been medically necessary. Ohio Administrative Code 5101:3-172 (E) states

“The provider shall maintain all records necessary and in such a form 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.”

Since the provider obtained the certification statements after the fact and did not have them on or before the date payment was received, we determined that these statements were not valid and therefore, the Provider was not eligible to be reimbursed for these transports. ODHS' Office of Medicaid concurred with this position.

⁴Two of the seven uncertified drivers was not included in the overpayment calculations because, in our sample, they always drove with a certified driver.

We projected the error rate for these services across the total population of transportation patients. This resulted in a recoverable overpayment of \$205,847.22 for failure to provide valid physician certifications.

Insufficient Medical Information

Our review noted one other area of deficiency within the transportation records.. Some of the records we reviewed in our sample lacked information necessary to completely meet the compliance criteria of medical necessity. Although we did not calculate overpayments for this deficiency, it is detailed below along with a recommendation 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

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

To verify the medical necessity of a transportation service, the physician is required to designate the condition of the patient, e.g. "wheelchair bound", "ambulatory with assistance", "bed confined before and after trip", etc. by completing Section 17 of the Physician Certification Form. Moreover, certain designations in Section 17 that are followed by a "***" also require the physician to explain in Section 18 why the patient cannot be transported by common carrier or wheelchair/ambulette, and if bed confined, the physician is also required to list the diagnosis. During our sample review, we noted 22 instances where Section 17 and/or Section 18 had not been completed.

Recommendation: The Provider should implement controls to ensure that the original physician certification is completely filled out by the physician and describes in detail as to why the patient cannot be transported by common carrier or any other means of transportation and why the patient needs to be transported by wheelchair/ambulette.

CONCLUSION

Based on the review, findings for recovery are in the amount of \$345,978.10. The Provider was given the opportunity to review the draft report and submit a written response and/or additional documentation pertaining to the findings. The provider supplied drivers certifications for two drivers, which reduced the amount of findings in this category.

In a letter dated April 5, 2000, the Provider also questioned the methodology and statistical sampling used to arrive at the finding amount. We responded to the Provider's questions and concerns in a letter dated April 17, 2000.

The Provider is aware of the amount and reason for the findings. In addition, the Provider is aware if payment is not made within 45 days of receipt of this report, this matter will be referred to the Ohio Attorney General's Office for Collection.

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APPENDIX I

**Table 1: Summary of Record Analysis of Apple Lane Ambulette Service
For the period January 1, 1996 to September 30, 1999
Transportation Services for Medicaid Recipients**

Description	Audit Period January 1, 1996- September 30,1999
Total Medicaid Transportation Services Paid	\$509,587.79
Number of Transportation Services	31,695
Type of Examination	Statistical Random Sample of 99 TCN's
Number of Transportation Services Sampled	383
Amount Paid for Services Sampled	\$9,789.60
Projected Overpayment From Statistical Sample	\$345,978.10
Upper Limit at 95% Confidence Level	\$403,506.86
Lower Limit at 95% Confidence Level	\$288,449.34

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

Provider: Apple Lane Ambulette Service
672 Springmill Street
Mansfield, Ohio 44903

Provider Number: 0953517

Review Period: January 1, 1996 through September 30, 1999

AOS Finding Amount: \$345,978.10

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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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

APPLE LANE AMBULETTE SERVICE

RICHLAND 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
MAY 25, 2000**