



**Auditor of State
Betty Montgomery**

Ohio Medicaid Program

*Review of Medicaid Provider Reimbursements Made to
Medi Trans, Inc.*

A Compliance Review by the:

Health Care Contract Audit Section



**Auditor of State
Betty Montgomery**

April 1, 2003

Mrs. Judy Riether
CEO & President
Medi Trans, Inc.
9750 Portage St. NW
Massillon, Ohio 44646

Re: Medicaid Review of Medi-Trans, Inc.
Provider Number 0376034

Dear Mrs. Riether:

We have completed our audit of selected medical services rendered to Medicaid recipients by Medi Trans, Inc. for the period July 1, 1999 through June 30, 2002. We identified \$128,304.43 in findings, which must be repaid to the Ohio Department of Job and Family Services (ODJFS). A "Provider Remittance Form" is included at the back of this report for remitting payment.

Please be advised that in accordance with Ohio Revised Code Section 131.02, if repayment of findings is not made to the Ohio Department of Job and Family Services within 45 days of receipt of this report, we will refer the findings to the Ohio Attorney General's office for collection.

As a matter of courtesy, a copy of this report is being sent to the Ohio Department of Job and Family Services and the Ohio Attorney General. If you have any questions, please feel free to contact Cynthia Callender, Chief, Fraud and Investigative Audit Group at (614) 466-4858.

Sincerely,

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

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ABBREVIATIONS

CMS	Centers for Medicare and Medicaid Services (formally known as HCFA)
CPT	Physician's Current Procedural Terminology
HCCA	Health Care Contract Audit Section
HCPCS	HCFA Common Procedural Coding System
MBS	Modified Barium Swallow
MMIS	Medicaid Management Information System
OAC	Ohio Administrative Code
ODJFS	Ohio Department of Job and Family Services
OMPH	Ohio Medicaid Provider Handbook

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SUMMARY OF RESULTS

The Auditor of State performed a review of Medi Trans, Inc., Provider #0376034, doing business at 9750 Portage St. NW, Massillon, Ohio 44646.

Our review was performed at the request of the Ohio Job and Family Services in accordance with 117.10 of the Ohio Revised Code. As a result of this review, we identified findings amounting to \$128,304.43 that did not meet reimbursement rules of the Ohio Medicaid Provider Handbook (OMPH) and the Ohio Administrative Code (OAC).

BACKGROUND

Medicaid was established in 1965 under the authority of Title XIX of the Social Security Act and is a federally and state financed program which provides assistance to low income persons, families with dependent children, the aged, the blind, and the disabled. A Provider renders medical, dental, laboratory, or other services to Medicaid recipients. The Ohio Department of Job and Family Services (ODJFS) administers Ohio's Medicaid program, and issues the rules and regulations that providers must follow in the Ohio Medicaid Provider Handbook. The fundamental concept of the Medicaid program is medical necessity of services: those which are necessary for the diagnosis or treatment of disease, illness, or injury and meet accepted standards of medical practice¹.

Portable x-ray services are reimbursed by the Medicaid program when delivered to eligible recipients by eligible providers. An independent portable x-ray supplier performs diagnostic x-ray services in a patient's place of residence. The Laboratory Services Chapter of the Ohio Medicaid Provider Handbook outlines the requirements that portable x-ray providers must follow.

Portable x-ray services are limited to: skeletal films involving the extremities, pelvis, vertebral column, and skull; chest films which do not involve the use of contrast media; and abdominal films which do not involve the use of contrast media; and diagnostic mammograms if the provider meets the requirements in section 21, Subpart 900, Part B of the Federal Code of Regulations.

The Auditor of State, working with the Ohio Department of Job and Family Services, performs reviews to assess Medicaid providers' compliance with federal and state claims reimbursement rules.

Pursuant to the Medicaid Handbook, Chapter 3334, Section IV, Subsection B, and the Ohio Administrative Code Section 5101:3-1-172 (E), 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 based upon those records or until any initiated audit is completed, whichever is longer".

¹OAC Section 5101:3-1-01(A) and (A)(1)

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section V, Subsection B.6, [OAC Section 5101:3-1-198 (E)], overpayments, duplicate payments or payments for services not rendered are recoverable by the department at the time of discovery.

In addition, Section 5101:3-1-29(C) of the OAC states: "In all instances of fraud and abuse, any amount in excess of that legitimately due to the provider will be recouped by the department through its surveillance and utilization review section, the state auditor, or the office of the attorney general."

"Abuse" is defined in Section 5101:3-1-29 (B) of the OAC as "...those provider practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and result in an unnecessary cost to the medicaid program."

***PURPOSE, SCOPE AND
METHODOLOGY***

The purpose of this review was to determine whether the Provider's claims to Medicaid for reimbursement of medical services were in compliance with applicable regulations, determine any areas of non-compliance and to calculate the amount of any finding resulting from non-compliance.

The scope of our review was limited to claims for which the Provider rendered services to Medicaid patients and received payment during the period July 1, 1999 through June 30, 2002. The Provider was reimbursed \$160,158.89 for 4,476 services rendered during the audit period.

We used the Medicaid Provider Handbook and the OAC as guidance in determining the extent of services and applicable reimbursement rates. We obtained the Provider's claims history from ODJFS' Medicaid Management Information System (MMIS), which lists services billed to and paid by the Medicaid program. This computerized claims data included but was not limited to: patient name, patient identification number, date of service, and service rendered. Services are billed using the five (5) digit Current Procedural Terminology (CPT)² coding system, the Center for Medicare and Medicaid Services (CMS) HCPCS³ and ODJFS' local level codes⁴.

In analyzing the Provider's claims history, we focused on claims for four (4) radiology services (CPT codes 70360, 70371, 74210, 74230) billed in conjunction with (i.e. on the same date of service) a contrast media HCPCS code A4641. These services accounted for \$128,092.18 (or 80 percent of the total reimbursement) and 2,524 (or 56.4 percent of the total number) services reimbursed to the Provider during our audit period.

In particular, we focused on whether the Provider improperly billed ODJFS for modified barium swallows (MBS). According to Ohio Administrative Code rule 5101:3-11-06(B)(1) and (2), a portable x-ray provider is not eligible to bill for procedures involving fluoroscopy or procedures

²The CPT is published by the American Medical Association (AMA) for the purpose of providing a uniform language to describe medical services.

³ The Healthcare Common Procedure Coding System contains alpha-numeric codes used to identify those coding categories not included in the American Medical Association's Current Procedural Terminology (CPT-4) codes.

⁴ Local level codes are published in the Ohio Medicaid Providers Handbook.

involving the use of contrast media. Modified barium swallows are considered a form of contrast media.

Mrs. Judy Riether, CEO and President of Medi Trans, Inc provided the following background information about the company:

- Medi Trans began providing MBS services in 1995.
- Medi-Trans provides MBS services on site to long term care (nursing home) residents. Radiology equipment is transported to the long term care facilities where the patients reside.
- Prior to February 2002, the Provider specialized in both basic x-ray services and modified barium swallows.
- In February 2002, Medi Trans gave their “basic” radiology accounts away to another company, after which they specialized in MBS services.

To determine the exact nature of services being provided and whether the services were provided in accordance with Medicaid rules, we selected two statistical random samples of radiology services and reviewed the documentation maintained by the Provider to support reimbursement claims. The first sample contained the services for 30 recipient dates of service, (i.e. all the services for a given recipient on a particular date), where the procedure code for contrast media was used. This sample confirmed that all the procedures on the sampled dates of service were for the modified barium swallow procedure.

The second sample consisted of 60 recipient dates of service where a contrast media code was not present and where the x-ray procedure was unmodified, indicating that the provider performed both the technical and professional components of the service.

Additionally, we analyzed the paid claims in MMIS for duplicate payments to the provider. We defined duplicate claims as two or more claims with the same date of service, patient, procedure code, procedure code modifier and reimbursement amount.

Our work was performed between November 2002 and December 2002 and was done in accordance with government auditing standards.

FINDINGS

We identified findings of \$128,304.43 in three (3) areas: unallowable billings for radiology services involving contrast media, duplicate payments and over billed charges for transportation services. The circumstances leading to the findings are discussed below.

Unallowable Billings for Radiology Services Involving Contrast Media

Pursuant to OAC Section 5101:3-11-01(B), an "Independent portable x-ray supplier" is an entity that performs diagnostic x-ray procedures when the services are provided in a patient's place of residence.

According to ODJFS' MMIS, Medi Trans, Inc. is registered with ODJFS as an Independent X-Ray and Laboratory services provider. During our entrance conference, we learned that Medi Trans, Inc. contracts with the nursing facilities to "provide scheduled Complex Dynamic Pharyngeal & Speech Evaluation by video-fluoroscopy, swallowing function study with evaluation & treatment suggestions to include physiologic and anatomic evaluation video-fluoroscopic and x-ray studies, herein known as a **MBS⁵ EXAM** to the **FACILITY**." These services are provided by a mobile unit at the patient's place of residence.

Ohio Administrative Code 5101:3-11-06 (B)(2) states in part:

Procedures and examinations that are not covered when provided by a portable x-ray provider include:

- (1) Procedures involving fluoroscopy;
- (2) Procedures involving the use of contrast media;
- (3) Procedures requiring the administration of a substance to the patient or the injection of a substance into the patient and/or special manipulation of the patient;

ODJFS' Medicaid Health Plan Policy bureau confirmed that portable x-ray providers are not eligible to perform the above services, adding that this rule conforms to Medicare regulations for portable x-ray suppliers.⁶

Upon review of a sample of 30 recipient dates of service where HCPCS code A4641 (radiodiagnostic imaging agent; any dose) was billed in-conjunction with other radiological codes (CPT codes 70360, 70371, 74210 and 74230), we confirmed that all were billed for modified barium swallow services. Modified barium swallow (MBS) services are studies by fluoroscopy or video-fluoroscopy used to identify the nature of a swallowing disorder and to identify treatment means. The Provider subsequently confirmed that these combinations of codes are used to bill for MBS services.

Based upon the Medicaid (and Medicare) policy for portable x-ray services, any MBS procedures rendered by the Provider would be non-covered services and not reimbursable by Medicaid. Therefore, the reimbursement received for claims involving radiological services billed in-conjunction with HCPCS code A4641 resulted in a finding of \$115,804.45 that must be reimbursed to the Ohio Department of Job and Family Services.

⁵ Modified Barium Swallow; source: pg. 17 of M.D. News, Greater Akron/Canton Edition Nov-Dec 2002.

⁶ See Medicare Carrier Manual, Part 3, Chapter II, Section 2070.4 (D).

When reviewing our sample of 60 unmodified radiological patient dates of service, we identified 11 other patient dates of service that entailed bills for radiology codes 70371, 70360, 74210 and 74230, but which had not been billed in-conjunction with a contrast media code (HCPCS A4641). Despite the lack of a corresponding contrast media code, we determined all of the services had been rendered as part of an MBS service. A full analysis of the Provider's claims history identified an additional 67 patient dates of service where 178 of these codes had been reimbursed to the Provider. Since these services also involved contrast media and video-fluoroscopy, they should not have been covered per OAC 5101:3-11-06 (B)(2). The amount reimbursed for those service codes resulted in a finding of \$12,064.64.

Thus, the total finding due to radiology services involving contrast media and video-fluoroscopy is \$127,869.09.

Duplicate Payments

Pursuant to OAC 5101:3-1-198 (E) Payment errors and overpayments:

Overpayments, duplicate payments, or payments for services not rendered are recoverable by the department at the time of discovery . . .

During our review, we identified four (4) instances where two claims were filed for the same procedure code, for the same recipient on the same date of service. Because only one service occurred, we identified a finding for \$219.29 that is reimbursable to ODJFS.

Over Billed Claims for Transportation Services

Pursuant to OAC 5101:3-11-06 (C), reimbursement is available for the transportation of portable x-ray equipment to a patient's home, or to a long-term care facility (LTCF). In a LTCF, only one such charge per visit, to the supplier is allowed, regardless of the number of patients seen.

The Provider billed transportation services using HCPCS code R0070. Review of the Provider's claims showed billings for more than one transportation visit to a facility on a date of service. In order to determine if multiple visits occurred, we supplied the provider with a list of facilities with multiple patients and transportation codes billed on a date of service. We requested that the Provider submit documentation to show whether multiple transportation visits occurred on the specified dates.

The documentation submitted showed that in some instances, the Provider only made one transportation visit to a facility on a date of service, even though multiple patients were seen. The Provider was given credit for one complete transportation code paid for those dates of service. The reimbursement above one transportation code on those dates of service amounted to a finding of \$216.05.

Provider's Response to our Findings

To afford an opportunity to provide additional documentation or otherwise respond to our findings, we mailed a draft report to the Provider on February 10, 2003. We also met with the Provider on March 3, 2003 to discuss the draft. At the meeting, the Provider's Chief Executive Officer generally agreed with the basis for our findings and inquired about repayment arrangements. Subsequently, the Provider sent us three letters dated March 7, March 8, and March 10, 2003 that provided additional documentation and reiterated agreement with the findings. In addition, the Provider asked us to clarify with ODJFS the circumstances, if any, under which a Medicaid provider could bill for mobile radiology services involving contrast media. We have contacted the Office of Ohio Health Plans at ODJFS to obtain that clarification. We also referred the Provider to ODJFS to discuss repayment arrangements.

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 Name & Address: Medi Trans, Inc
9750 Portage St. NW
Massillon, Ohio 44646

Provider Number: 0376034

Review Period: 7/1/99 – 06/30/02

AOS Finding Amount: \$128,304.43

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: Thomas Tedeschi at (614) 728-7398

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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

MEDI TRANS, INC.

STARK 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
APRIL 1, 2003**