MEDA-CARE TRANSPORTATION, INC.
HAMILTON COUNTY

MEDICAID COMPLIANCE EXAMINATION REPORT

FOR THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2011

Dave Yost · Auditor of State

THIS PAGE INTENTIONALLY LEFT BLANK

MEDA-CARE TRANSPORTATION, INC.
HAMILTON COUNTY

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY LEFT BLANK

Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO MEDICAL TRANSPORTATION SERVICES

Boris Galitsky, President
Meda-Care Transportation, Inc.
1715 Harmon Drive
Cincinnati, Ohio 45215-1455

RE: *Medicaid Provider Number 0962249*

Dear Mr. Galitsky:

We examined your (the Provider's) compliance with specified Medicaid requirements for driver qualifications, service documentation, and service authorization related to the provision of ambulette services during the period of January 1, 2009 through December 31, 2011. We reviewed the Provider's records to determine if it had support for services billed to and paid by Ohio Medicaid and compared the elements contained in the documentation to the Medicaid rules. In addition, we determined if the services were authorized by certificates of medical necessity. We also reviewed personnel records to verify that driver qualifications were met. The accompanying Compliance Examination Report identifies the specific requirements examined.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid to provide services to Medicaid recipients (the Provider Agreement). The Provider Agreement outlines the responsibility to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, and the regulations and policies set forth in the Medicaid Handbook including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Therefore, the Provider is responsible for complying with the requirements and laws outlined by the Medicaid program.

Auditor's Responsibility

Our responsibility is to express an opinion and report on the Provider's compliance with the specified Medicaid requirements based on our examination. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code and conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and, accordingly, included examining, on a test basis, evidence supporting the Provider's compliance with those Medicaid requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on the Provider's compliance with the specified Medicaid requirements.

Internal Control Over Compliance

The Provider is responsible for establishing and maintaining effective internal control over compliance with the Medicaid requirements. We did not perform any test of the internal controls and we did not rely on the internal controls in determining our examination procedures. Accordingly, we do not express an opinion on the effectiveness of the Provider's internal control over compliance.

Basis for Adverse Opinion on Medicaid Services

Our examination found material non-compliance with service documentation and service authorization requirements and one driver who did not meet the driver qualifications. We also found that the Provider did not maintain adequate documentation to identify the vehicle used for each transport and, as a result, we could not verify that the vehicle used was properly licensed by the State Board of Emergency Medical Services (formerly the Ohio Medical Transportation Board (OMTB)).

Adverse Opinion on Compliance

In our opinion, the Provider has not complied, in all material respects, with the aforementioned requirements pertaining to provider qualifications, service documentation and service authorization for the period of January 1, 2009 through December 31, 2011.

Our testing was limited to the specified Medicaid requirements detailed in the Compliance Examination Report. We did not test other requirements and, accordingly, we do not express an opinion on the Provider's compliance with other requirements.

We found the Provider was overpaid by Ohio Medicaid between January 1, 2009 and December 31, 2011 in the amount of $160,846.45. This finding plus interest in the amount of $9,423.84 totaling $170,270.29 is due and payable to the Ohio Department of Medicaid (ODM) upon ODM's adoption and adjudication of this examination report. When the Auditor of State identifies fraud, waste or abuse by a provider in an examination,[1] any payment amount in excess of that legitimately due to the provider will be recouped by ODM, Fiscal Operations, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B) Therefore, a copy of this report will be forwarded to ODM because it is responsible for making a final determination regarding recovery of our findings and any accrued interest.

This report is intended solely for the information and use of the Ohio Department of Medicaid, the Medicaid Fraud Control Unit of the Ohio Attorney General's Office, the U.S. Department of Health and Human Services/Office of Inspector General, and other regulatory and oversight bodies and, is not intended to be, and should not be used by anyone other than these specified parties. In addition, copies are available to the public on the Auditor of State website at www.ohioauditor.gov.

Dave Yost
Auditor of State

May 14, 2014

[1] "Fraud" is an intentional deception, false statement, or misrepresentation made with the knowledge that the deception, false statement, or misrepresentation could result in some unauthorized benefit to oneself or another person. "Waste and abuse" are practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and that constitute an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program. Ohio Admin. Code § 5160-1-29(A)

Compliance Examination Report for Meda-Care Transportation, Inc.

Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. The rules and regulations that providers must follow are specified in the Ohio Administrative Code and the Ohio Revised Code. The fundamental concept underlying the Medicaid program is medical necessity of services: defined as services which are necessary for the diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. *See* Ohio Admin. Code § 5160-1-01(A) According to Ohio Admin. Code § 5160-1-17.2(D), Medicaid providers must "maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions" for a period of six years or until any audit initiated within the six year period is completed. Providers must furnish such records for audit and review purposes. Ohio Admin. Code § 5160-1-17.2(E)

During the examination period, the Provider received reimbursement of $1,305,601.54 for 91,832 ambulette services rendered on 955 dates of service. The Provider operates out of offices located at 270 Northland Blvd., #227 in Springdale, Ohio. Meda-Care Transportation, Inc. has a second Provider number, 2733126, which is categorized as a waiver service provider for the Ohio Department of Developmental Disabilities.

Some Ohio Medicaid recipients confined to a wheelchair may be eligible to receive transportation services provided by an ambulette provider. *See* Ohio Admin. Code § 5160-15-03(B)(2) An ambulette is a vehicle designed to transport wheelchair bound individuals. Qualifying ambulette services must be certified as medically necessary by an attending practitioner for individuals who are non-ambulatory, able to be safely transported in a wheelchair, and do not require an ambulance. "Attending practitioner" is defined as the primary care practitioner or specialist who provides care and treatment to the recipient on an ongoing basis and who can certify the medical necessity for the transport. An attending practitioner can be a doctor of medicine, a doctor of osteopathy, a doctor of podiatric medicine, or an advanced practice nurse. Ohio Admin. Code § 5160-15-01(A)(6)

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid claims for reimbursement complied with Ohio Medicaid regulations. Please note that all rules and code sections relied upon in this report were those in effect during the examination period and may be different from those currently in effect.

The scope of the engagement was limited to an examination of medical transportation services, specifically ambulette services, that the Provider rendered to Medicaid recipients and received payment during the period of January 1, 2009 through December 31, 2011.

We received the Provider's paid claims history from ODM's Medicaid Management Information System (MMIS) and Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed voided services, services paid at zero and services previously recouped by the Surveillance and Utilization Review Section of ODM. We then removed the following services: 211 services reimbursed for the same recipient on the same date as waiver services reimbursed to the Provider's second provider number (2733126); 82 services reimbursed for recipients on dates when they were hospital inpatients per MITS/MMIS; four services reimbursed for dates of service after a recipient's date of death; eight services reimbursed

for round trips between a residence and a nursing facility in a single day; and four services billed with a modifier indicating a cancelled trip. We reviewed these extracted services in separate exception tests. From the remaining subpopulation we selected a simple random cluster sample by date of service to facilitate a timely and efficient examination of the Provider's ambulette services as permitted by Ohio Admin. Code § 5160-1-27(B)(1). We then obtained the detailed services for all of the selected dates of service.

During fieldwork, we reviewed the Providers records for trip documentation and certificates of medical necessity (CMNs) and examined personnel files to ensure that driver qualifications were met prior to rendering services. We also judgmentally selected three dialysis centers and sent letters to these centers requesting confirmation that recipients were seen on 23 dates of service that corresponded to dates reported as transports by the Provider. In addition, the Provider submitted reports from the Global Positioning System (GPS) units installed in its vehicles for July 29, 2010 and November 2, 2011 which we reviewed as part of documentation to support paid services. To verify that vehicles used in the transports were appropriately licensed ambulettes, we reviewed licensure information obtained from OMTB and the Provider.

An engagement letter was sent to the Provider on October 9, 2013, setting forth the purpose and scope of the examination. An entrance conference was held on November 4, 2013. During the entrance conference the Provider described its documentation practices and process for submitting billing to the Ohio Medicaid program. After conducting our initial review of records on-site, we submitted a compiled list of additional requested records to the Provider. The Provider submitted the additional documentation which we reviewed for compliance.

Results

The Provider described its scheduling system which consists of an electronic spreadsheet showing each day's scheduled transports. Upon completion of a transport the driver called the dispatcher and the transport was highlighted in yellow to indicate completion. Cancelled trips were highlighted in red. This system was developed in part to accommodate drivers with limited English so that the drivers were not required to complete trip documentation. The Provider's office staff fills out forms called Trip Tiks based on the daily schedule and the Provider submitted these Trip Tiks as service documentation to support paid services. In addition, the Provider stated that the Trip Tiks are used to submit billing.

The Provider informed us that an employee recreated a number of Trip Tiks during the weekend preceding our on-site fieldwork because these Trip Tiks were printed on scrap paper. The Provider made an unsuccessful attempt to recover the original Trip Tiks but they had been discarded. The Provider identified which Trip Tiks were recreated based on the color of paper used. Since the Trip Tiks and the schedule contained the same information, we performed testing on the Trip Tiks originally presented as the Provider's supporting documentation.

We reviewed a statistical sample of 2,595 ambulette transportation services (1,298 transports and 1,297 mileage codes) and identified 968 errors. In certain instances, the non-compliance resulted in overpayments and the basis for our findings is described below in more detail. While certain services had more than one error, only one finding was made per service. The overpayments identified for 29 of 30 dates of service (383 of 2,595 services) from our statistical random cluster sample were projected across the Provider's sub-population of paid dates of service. This resulted in a projected overpayment amount of $186,917.77 with a precision of plus or minus $33,380.92 at the 95 percent confidence level. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits), and a finding was made for

$158,816.48. This allows us to say that we are 95 percent certain that the population overpayment amount is at least $158,816.48.

We also reviewed the following services as exception tests:

- 106 transports for which the Provider received non-waiver and waiver reimbursement for the same recipient on the same day and identified 37 errors;
- 41 transports when the recipient was a hospital inpatient per MITS/MMIS and identified 41 errors;
- two transports for which the Provider received reimbursement after the recipients date of death and identified two errors;
- four transports for which the services were billed using modifiers indicating that the trips were between a skilled nursing facility and residence and identified two errors; and
- two transports for which the Provider received reimbursement for a service with a modifier indicating a cancelled trip and identified two errors.

The basis for our findings is discussed below in more detail.

On February 4, 2012 the Provider responded to an ambulette questionnaire from ODM's Surveillance and Utilization Review Section and stated that since 1994 it has been aware of the requirements that in order for an ambulette transport to be covered by Medicaid, the transport must be in an ambulette, licensed and approved as such by OMTB and that a certificate of medical necessity (CMN) must be on file for the individual being transported. The Provider further stated it maintained all records and documents necessary to substantiate transportation services.

A. Driver Qualifications

All ambulette drivers must pass a criminal background check and have a signed medical statement from a licensed physician declaring the individual does not have a medical, physical or mental condition or impairment which could jeopardize the health or welfare of patients being transported. Also, each driver must undergo testing for alcohol and controlled substances by a certified laboratory and be determined to be drug free. Background checks, medical statements, and drug test results must be completed and documented before the driver begins providing ambulette services or within 60 days thereafter. Prior to employment, each driver must obtain first aid and Cardiopulmonary Resuscitation (CPR) certification (or have an Emergency Medical Technician certification), provide a copy of his/her driving record from the Bureau of Motor Vehicles (BMV), and complete passenger assistance training. In addition, each driver must provide copy of a BMV driving record on annual basis. *See* Ohio Admin. Code § 5101:3-15-02(C)(3)

We haphazardly selected 10 employees from a list of drivers submitted by the Provider and three employees from the Provider's service documentation and reviewed the personnel files for these 13 drivers. Specific noncompliance issues identified include:

- one driver obtained the criminal background check 11 months after the hire date and the background check disclosed a conviction for domestic violence;
- one driver obtained the criminal background check nearly three years after the hire date which was prior to our examination period; and
- eight drivers had no testing for alcohol.

The domestic violence conviction was a disqualifying offense and the driver was ineligible to provide services. The 27 services provided by this driver in the statistical sample are considered unallowable and were used in the overall finding projection of $158,816.48

In addition, we found that the Provider routinely used nicknames on the daily schedule and Trip Tiks. The Provider did submit a list of the nicknames with corresponding given name but there were instances where the same nickname was used for more than one driver so we could not definitively determine the driver for every transport reviewed.

Recommendation:

The Provider should develop and implement a system to ensure that all drivers complete required documentation prior to employment and ensure all drivers meet eligibility requirements. In addition the Provider should identify drivers by their given name in order to document who actually provided services. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Vehicle Review

According to Ohio Admin. Code § 5101:3-15-02(A)(2) providers of ambulette services must operate in accordance with applicable requirements developed by the Ohio Medical Transportation Board in accordance with Chapter 4766 of the Ohio Revised Code.

The Provider did not document the vehicle used for each transport on the schedule or Trip Tik. Instead, the Provider submitted a monthly list of vehicles with an assigned driver and the driver was listed on the daily schedule. The Provider stated that if a vehicle was out of service for any reason, the driver would not provide services for that period of time because there were no unassigned vehicles. We noted instances where a vehicle was removed from the annual OMTB license but subsequently was included on the monthly vehicle list. The Provider stated this was an error with the monthly vehicle list because unlicensed vehicles were not used. In addition, the Provider did not maintain records by vehicle to document when new vehicles were inspected and licensed by OMTB rendering them allowable for services. Due to these issues, we could not verify which vehicle was used for each transport or determine if vehicles were properly licensed by OMTB prior to use.

Recommendation:

We recommend the Provider document which vehicle is used for each transport and maintain documentation of inspection and licensure by OMTB for each vehicle. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. Certificate of Medical Necessity

All transportation providers are required by Ohio Admin. Code § 5101:3-15-02(E)(2) to obtain a CMN that has been signed by an attending practitioner that documents the medical necessity of the transport. Ambulette providers must obtain the completed, signed and dated CMN prior to billing the transport. *See* Ohio Admin. Code §5101:3-15-02(E)(4)(d)

Our review of the statistical sample of 1,298 paid transports identified 122 transports in which there was no CMN and an additional 12 transports where the CMN was not signed by an authorized practitioner. These 134 errors were used in the overall finding projection of $158,816.48.

In addition, we noted CMNs for 742 transports that were present and signed by an authorized practitioner but were not complete. These CMNs did not consistently contain the medical condition which requires the patient to use an ambulette and/or did not indicate that the recipient met all of the criteria for an ambulette transport.

During field work we presented the Provider with a list of missing CMNs. The Provider submitted five CMNs from that list and stated it had no additional CMNs. We reviewed these five additional CMNs for compliance.

Recommendation:

The Provider should establish a system to obtain the required CMNs, completed by an authorized attending practitioner, and to review those CMNs to ensure they are complete prior to billing Medicaid for the transport. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

D. Trip Documentation

Statistical Sample

Trip documentation must describe the transport from the time of pick up to drop off, mileage, addresses of to and from destination points, name of the Medicaid covered service provider at the Medicaid covered point of transport, and mileage. This requirement is necessary to calculate the correct payment prior to billing Ohio Medicaid. *See* Ohio Admin. Code § 5101:3-15-02(E)(2)(a)

Our review of the statistical sample of 1,298 paid transports found the following non-compliance issues with the Provider's trip documentation:

- 14 transports with no service documentation (Trip Tik) and not included on the schedule;
- 23 transports in which the mileage reimbursed was not supported by the documentation; and
- 9 transports where the recipient was not transported to Medicaid covered service or it could not be determined if the transport was to a Medicaid covered service.

These 46 errors were used in the overall finding projection of $158,816.48.

Because the Provider's schedule and Trip Tiks did not include the name of the Medicaid covered service at the point of transport, we performed an internet search of the addresses of the destinations. Except for the nine errors noted above, we were able to confirm that the destination address was a potential Medicaid covered service (hospital, doctor office, dialysis center, etc.). To gain further assurance, we selected three dialysis centers whose addresses were frequently reported and requested confirmation from the dialysis center that the recipient obtained a Medicaid covered service on a specific transport date. We found one instance in the 23 selected dates of services where the recipient did not receive a Medicaid covered service at the dialysis center on the date the Provider's schedule indicated a trip was provided. This one error is included in the nine transports above where a transport to a Medicaid covered service was not verified.

We also noted 19 transports with incomplete documentation that did not include the scheduled pick up and drop off time and/or the driver's name. The Provider identified 22 recreated Trip Tiks in our statistical sample. We traced these recreated documents back to the schedule and

noted no errors. We also identified an additional 17 transports with no Trip Tik but were able to trace the transports back to the schedule.

We requested GPS reports for all vehicles on two specific dates of service: March 20, 2009 and July 29, 2010. The Provider was unable to obtain reports for March 20, 2009 so we requested the GPS reports from November 2, 2011. The Provider was unable to obtain the GPS reports for all vehicles for the dates we requested; 30 of 53 transports were not supported for July 29, 2010 and six of 40 transports were not supported for November 2, 2011. As such, the only documentation the Provider consistently maintained to support paid service was the daily schedule.

Exception Tests

Reimbursement for non-waiver and waiver service for the same recipient on the same day

We tested 106 transports for which the Provider received non-waiver and waiver reimbursement for the same recipient on the same day to determine if the Provider had proper documentation for the non-waiver service. We identified the following non-compliance issues:

- six transports with no service documentation; and
- 19 transports where the recipient was not transported to a waiver covered service or it could not be determined if the transport was to a Medicaid covered service.

These 25 errors resulted in an overpayment of $736.05. We also noted 12 transports where the documentation did not include the scheduled pick up and drop off times.

Reimbursement for services when the recipient was a hospital inpatient

We tested 41 transports in which the recipient was a hospital inpatient per MITS/MMIS. We identified two transports for which the Provider had no service documentation and 39 transports reimbursed when the recipient was a hospital inpatient. For the purposes of this test, the day of admission and day of discharge were not considered hospital inpatient days.

These 41 errors resulted in an overpayment of $1,141.04.

Reimbursement for services after recipient date of death

We tested two transports with dates of service after the date of the recipient's death. We confirmed the date of death via an internet search of www.death-record.com. The Provider did submit service documentation indicating that a transport occurred; however, since the recipient was deceased, the documentation was considered invalid.

These two errors resulted in an overpayment of $51.38.

Reimbursement for services between a nursing facility and a residence

Medical transportation services are not directly reimbursable for recipients residing in a nursing facility because they are reimbursed to the facility through the facility per diem. *See* Ohio Admin. Code § 5101:3-15-02.8

We tested four transports for which the services were billed using modifiers indicating that the trips were between a skilled nursing facility and residence. It appears the Provider used

incorrect modifiers and the recipients were not nursing facility residents. However, we could not determine if two of the transports were to a Medicaid covered service.

These two errors resulted in an overpayment of $49.98.

Reimbursement for cancelled services

Transport of an individual to a Medicaid covered service that was cancelled or unavailable may be reimbursed if the transportation provider obtained written documentation from the Medicaid covered service provider before billing for the service including a description of the reason for the cancellation or unavailability of the service. *See* Ohio Admin. Code § 5101:3-15-03(L)(3)(c)

We tested two transports for which the Provider received reimbursement for a service with a modifier indicating a cancelled trip. The Provider had no documentation from the Medicaid covered service providers at the scheduled point of service indicating the reason the service was cancelled.

These two errors resulted in an overpayment of $51.52.

Recommendation:

As noted above, we found instances in the statistical sample and exception tests where services were documented on the daily schedule and a corresponding Trip Tik developed by the office staff but the transports were not provided. As such, many of the aforementioned errors appear to be due to the Provider's process of billing from the schedule in order to avoid a requirement of the drivers to complete any portion of trip documentation. The Provider should develop and implement procedures to ensure that all service documentation fully complies with requirements contained in Ohio Admin. Code § 5160:15-02. In addition, the Provider should develop a process to ensure billing is based on actual services rendered and is reviewed for completeness and accuracy prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Provider Response

A draft report along with a detailed list of services for which we took findings was mailed to the Provider on June 3, 2014, and the Provider was afforded an opportunity to respond to this examination report.

The Provider responded that a new form was developed to document transports and that this form is completed by drivers at the time of each transport. This new form is also used for the billing process. In addition, two office staff are now dedicated to ensuring compliance with CMNs and were re-educated regarding CMN requirements. The Provider also noted it will be maintaining documentation regarding vehicle licensure and that employees are tested for alcohol in addition to drug screening.

APPENDIX I

Summary of Statistical Sample Analysis of Meda-Care Transportation, Inc.
For the period January 1, 2009 through December 31, 2011
Ambulette Services

Description	Analysis
Type of Examination	Cluster Random Sample
Description of Population	All paid non-exception services in examination period, net of adjustments
Number of Dates of Service (DOS) in Population	954
Number of Dates of Service Sampled	30
Number of Dates of Service Sampled with Errors	29
Number of Services in Population	91,519
Number Services Sampled	2,595
Number of Services Sampled with Errors	383
Total Medicaid Amount Paid for Population	$1,301,082.95
Amount Paid for Services Sampled	$36,795.09
Estimated Overpayment (Point Estimate)	$186,917.77
Precision of Overpayment Estimate at 95% Confidence Level	$33,380.92
Precision of Overpayment Estimate at 90% Confidence Level	$28,101.29
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) (Equivalent to the estimate used for Medicare audits)	$158,816.48

Source: AOS analysis of MMIS and MITS information and the Provider's records.

Dave Yost • Auditor of State

MEDA-CARE TRANSPORTATION, INC.

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
JULY 1, 2014

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov