ANGEL CARRIERS LLC
MAHONING COUNTY

MEDICAID COMPLIANCE EXAMINATION REPORT

FOR THE PERIOD JULY 1, 2011 THROUGH JUNE 30, 2014

Dave Yost · Auditor of State

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ANGEL CARRIERS LLC
MAHONING COUNTY

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

Natalie Riley Rodway, Owner
Angel Carriers LLC
1142 East Midlothian Boulevard
Youngstown, Ohio 44502

RE: *Medicaid Provider Number 2730049*

Dear Ms. Rodway:

We examined your (the Provider's) compliance with specified Medicaid requirements for driver qualifications, service documentation, and service authorization related to the provision of non-emergency medical transportation during the period of July 1, 2011 through June 30, 2014. We reviewed the Provider's records to determine if it had support for services billed to and paid by Ohio Medicaid. In addition, we determined if the services were authorized in certificates of medical necessity (CMN). We also reviewed personnel records to verify that driver qualifications were met and verified vehicle licensure with the Ohio Department of Public Safety, Division of Emergency Medical Services (EMS Board) (formerly Ohio Medical Transportation Board). 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 (ODM) 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, service authorization and driver qualifications. In addition, the Provider used unlicensed vehicle in delivering transportation services.

Adverse Opinion on Compliance

In our opinion, the Provider has not complied, in all material respects, with the aforementioned requirements for the period of July 1, 2011 through June 30, 2014.

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 for services rendered between July 1, 2011 and June 30, 2014 in the amount of $458,083. This finding plus interest in the amount of $28,755.69 totaling $486,838.69 is due and payable to the ODM upon its 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, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of the ODM, 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

July 25, 2016

[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

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 prevention, diagnosis, evaluation or treatment of an adverse health condition. *See* Ohio Admin. Code § 5160-1-01(A) and (B) 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 from receipt of payment 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(D) and (E)

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)

During the examination period, the Provider received reimbursement of $469,631.03 for 15,667 non-emergency wheelchair van transports (procedure code A0130) and 15,548 corresponding mileage codes (procedure code S0209) rendered to 261 Medicaid recipients on 8,023 recipient dates of service (RDOS). A recipient date of service is defined as all services for a given recipient on a specific date of service.

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 non-emergency medical transportation services, specifically wheelchair van (ambulette) services, that the Provider rendered to Medicaid recipients and received payment during the period of July 1, 2011 through June 30, 2014.

We received the Provider's claims history from the Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed all services paid at zero. From this population we selected a simple random sample by RDOS. A total of 687 services (348 transports and 339 corresponding mileage) were pulled for the 177 sampled RDOS. We used a statistical sampling approach to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

Purpose, Scope, and Methodology (Continued)

On November 5, 2015, we notified the Provider of our intent to perform a Medicaid compliance examination. At that time, the Provider informed us there was a fire in the building where the business operated in October 2014 and that some or all of its records were destroyed. The Provider stated that its records had fire and water damage and were left in filing cabinets in the building and that the filing cabinets were not removed prior to the building being demolished. An engagement letter was sent to the Provider setting forth the purpose and scope of the examination.

The following timeline provides the steps taken and information obtained regarding the Provider's records:

- On November 6, 2015, the Provider sent a copy of the fire report which showed a fire occurred at 5095 Market Street in Boardman on October 3, 2014 and that there was heavy smoke due to a reported van on fire inside the building. The fire report indicated that an employee used a cutting torch on a vehicle which started the fire.

- On November 16, 2015, the Provider notified us that it was unable to locate the needed records. The Provider stated that after the fire, the landlords changed the locks on the building so it was not permitted access and that it only received a few hours' notice before the building was demolished.

- On November 23, 2015, we viewed news footage from the day of the fire which showed soot on the walls of the office but no fire or water damage. The news clip demonstrated that individuals were able to move about in the building after the fire. Additionally, in an on-camera interview, the owner's sister stated they were working to move phone lines so they could communicate with their drivers and clients and continue operations.

- On December 2, 2015, we contacted the Boardman Fire Department and ascertained that the building did not contain structural damage and was not condemned as a result of the fire.

- On December 28, 2015, we contacted the owner of the building on Market Street who stated that, on the date of the fire, he walked through the building and saw smoke and water damage throughout the building. The owner verified that the lock on the building was changed and stated that the Provider could retrieve records on any weekday. He limited access to the records to weekdays so that someone could supervise the removal of items from the building. The owner recalled that the Provider wanted to access the building on an evening or weekend which was not acceptable. The owner noted that the Provider was given prior notice that the building was going to be demolished. Once the owner contracted to have the building demolished, the Provider had two days to remove all property.

In planning for this engagement, we obtained the following information:

- On May 5, 2012 the Provider responded to an ambulette questionnaire from ODM's Surveillance and Utilization Review Section and attested that it was maintaining all records and documents necessary to substantiate transportation services for which Medicaid reimbursement is sought for at least six years.

- On July, 22, 2014, an "Onsite Screening Checklist" was completed by a contractor on behalf of ODM after a site visit of the Provider. The checklist noted that consumer files were kept in a locked filing cabinet in the dispatch room and on the owner's laptop, trip logs were kept in binders in the office, most paperwork was saved on the owner's laptop, and employee files were kept at the owner's house. The Provider indicated it backed up its records using cloud storage.

Purpose, Scope, and Methodology (Continued)

- The July 2014 site visit included a review of personnel records and noted that there several deficiencies including no support for passenger assistance training for any driver tested; numerous instances of missing first aid, cardiopulmonary resuscitation (CPR) and driving records; and the entire employee file was missing for two drivers. The conclusion of the site visit was that the Provider did not show the necessary documentation and that the business lacks capacity to perform indicated services or comply with rules and regulations due to numerous deficiencies. The Provider was given education on the following Medicaid topics: policies and procedure manual, secure and fireproof files, Health Insurance Portability and Accountability Act (HIPPA), records retention policy, disaster recovery plan, exclusion list checks, employee training, and staying up-to-date with Medicaid rules and regulations. The owner signed the "Onsite Screening Checklist" on July 22, 2014.

- On March 8, 2016, we mailed the Provider a report in which we identified an overpayment for paid services during the examination period, due to the lack of records to support these reimbursements.

- On March 17, 2016, we received notice from a representative of the Provider indicating that there was a misunderstanding and that the Provider did have records from the examination period.

An entrance conference was held at the Provider's office on March 30, 2016. During the entrance conference the Provider explained that it has moved twice since the fire and, as such, boxes were shuffled and it was in the process of sorting through records salvaged from the fire at the time of our notification of the compliance examination. We obtained a description of the Provider documentation practices and process for submitting its billing to the Ohio Medicaid program.

Results

We reviewed a statistical sample of 687 ambulette transportation services (348 transports and 339 mileage codes) and identified 785 errors. The overpayments identified for 176 of 177 statistically sampled RDOS (683 of 687 services) were projected to the Provider's population of paid claims resulting in a projected overpayment of $458,083 with a 95 percent degree of certainty that the true population overpayment amount fell within the range of $440,822.54 to $469,525.05 (+/- 3.77 to 4.24 percent). The projection confidence interval was adjusted for skewness to ensure it did not exceed the value of the population, less correct values found in the sample. A detailed summary of our statistical sample and projection results is presented in **Appendix I.**

While certain services had more than one error, only one finding was made per service. The basis for our findings is discussed below in more detail.

A. Certificate of Medical Necessity

All transportation providers are required by Ohio Admin. Code § 5101:3-15-02(E)(2)[2] to obtain a CMN that has been signed by an attending practitioner that documents the medical necessity of the transport. The practitioner certification form must state the specific medical conditions related to the ambulatory status of the recipient which contraindicate transportation by any other means on the date 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)

[2] Per Section 323.10.70 of Am. Sub. H. B. 59 of the 130th General Assembly, the Legislative Services Commission renumbered the rules of the Office of Medical Assistance within the Department of Job and Family services to reflect its transfer to ODM. The renumbering became effective on October 1, 2013. This renumbering effects all rules noted in the Results section of this report.

A. Certificate of Medical (Continued)

Our review of the CMNs to support the statistical sample of 348 paid transports identified 288 transports in which there were no CMN to cover the transport and 46 transports in which the CMN did not certify the recipient met any criteria for medical necessity, did not include a medical condition and/or was not signed by an authorized practitioner. We noted that one of the aforementioned CMNs had no certification that the recipient met any criteria for medical necessity, did not include a medical condition and included a statement by the physician that he had never seen the patient. These 334 errors were used in the overall projection of $458,083.

In addition, we noted CMNs for 10 transports that included a medical condition and were signed by an authorized practitioner but were not complete. These CMNs did not consistently indicate that the recipient met all of the criteria for an ambulette transport, but at least one of the criteria was met. Per Ohio Admin. Code § 5101:3-15-03 (B)(2), ambulette services are covered only when the individual has been determined and certified by the attending practitioner to be non-ambulatory at the time of transport and does not require ambulance services; the individual does not use passenger vehicles as transport to non-Medicaid services; and the individual is physically able to be safely transported in a wheelchair.

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 submitting a bill to Medicaid for the transport. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Trip Documentation

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

Our review of the trip documentation to support the 348 paid transports and 339 mileage codes identified the following errors:

- 116 transports with no supporting trip documentation record;
- 95 transports in which it could not be determined if one point of the transport was to a Medicaid covered service because the documentation lacked the name of the covered service provider;
- 5 transports in which neither point of transport was to a Medicaid covered service;
- 35 transports in which the mileage was not documented; and
- 1 transport in which the miles reimbursed exceeded the miles documented by 1 mile.

The 252 errors described above were used in the overall projection of $458,083.

We also noted 16 transports with incomplete documentation. The documentation for these 16 transports did not identify the full address of the pick-up and drop-off locations and/or the pick-up and drop-off times.

B. Trip Documentation (Continued)

Recommendation:

The Provider should develop and implement procedures to ensure that all service documentation is maintained and fully complies with requirements contained in Ohio Admin. Code § 5160-15-02. In addition, the Provider should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. 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 (provisional hiring period) thereafter.

Prior to transporting recipients, each driver must have a valid driver's license, obtain first aid and Cardiopulmonary Resuscitation (CPR) certification (or have an Emergency Medical Technician certification), and complete passenger assistance training. In addition, each driver must provide a BMV driving record at the time of application and; thereafter, on an annual basis. The driver must also maintain current first aid and CPR certification. *See* Ohio Admin. Code § 5101:3-15-02(C)(3)

The Provider's personnel records were disorganized and frequently lacked all of the required documentation. We requested the personnel files for the 20 drivers that rendered transportation services in the statistical sample and received 17. We identified partial names for three of the 20 drivers; however, the names did not match the insurance company's list of approved drivers and the Provider could not provide the full names. After receipt of the preliminary results of this examination, the Provider identified one of the three names and submitted personnel documents for this driver. The Provider did not identify the full names of the remaining two drivers or submit any personnel records for them.

Based on the Provider's reported dates, 15 of the 20 drivers were hired during our examination period and we applied the applicable hiring requirements to these individuals. We found the following errors for hiring requirements for the 15 drivers hired during our examination period:

- 7 drivers with no background check;
- 7 drivers with background checks ranging from approximately 1 to 20 months after the provisional hiring period;
- 6 drivers with no signed physician statement;
- 6 drivers with physician statements ranging from approximately 1 to 10 months after the provisional hiring period;
- 5 drivers with no controlled substance test;
- 7 drivers with controlled substance tests ranging from 1 to 8 months after the provisional hiring period;
- 15 drivers with no alcohol test;
- 9 drivers with no passenger assistance training; and
- 3 drivers with passenger assistance training ranging from 2 to 10 months after the provisional hiring period.

C. Driver Qualifications (Continued)

We noted one Angel Carriers passenger assistance training certificate dated June 1, 2003. Since Angel Carriers was registered in 2007, we did not accept this as a valid certificate.

The basis for our determination also includes the following errors for on-going requirements for the 20 drivers that rendered services in our sample:

- 10 drivers with no first aid certification;
- 5 drivers with lapses in first aid certification ranging from approximately 4 to 11 months;
- 10 drivers with no CPR certification;
- 5 drivers with lapses in CPR certification ranging from approximately 4 to 11 months; and
- 2 drivers who do not appear on the list of eligible drivers from the Provider's insurance company.

Due to the errors noted, 13 drivers were ineligible during the entire examination period and five drivers were ineligible until all hiring requirements were met and/or during lapses in certifications. The 131 transports by an ineligible driver were used in the overall projection of $458,083.

Recommendation:

The Provider should develop and implement a system to ensure that all drivers complete all requirements prior to rendering transportation services. In addition, the Provider should ensure that those requirements which involve renewal of certifications are also met and that supporting documentation is maintained. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

D. 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.

We obtained records from the EMS Board and identified 42 transports in which the vehicle used was either not licensed on the date of transport or where, due to conflicting information, we were unable to verify that it was licensed. These 42 errors were used in the overall projection of $458,083.

Recommendation:

We recommend the Provider use only licensed vehicles to render services. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Provider Response:

The Provider submitted an official response to the results of this examination which is presented in **Appendix II**. We did not examine the Provider's response and, accordingly, we express no opinion on it.

APPENDIX I

Summary of Sample Record Analysis

POPULATION
The population from which this subpopulation and sample is being taken, is all paid Medicaid services, net of any adjustments where the service was performed and payment was made by ODM during the examination period.

SAMPLING FRAME
The sampling frame was paid and processed claims from MITS. This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLING UNIT
The primary sampling unit was an RDOS.

SAMPLE DESIGN
We used a simple random sample.

Description	Analysis
Number of Population Recipient Dates of Service (RDOS)	8,023
Number of Population RDOS Sampled	177
Number of Population RDOS Sampled with Errors	176
Number of Population Services Provided	32,215
Number of Population Services Sampled	687
Number of Population Services Sampled with Errors	683
Total Medicaid Amount Paid for Population	$469,631.03
Amount Paid for Population Services Sampled	$10,212.02
Projected Correct Population Payment Amount	**$458,083**
Upper Limit Overpayment Estimate at 95% Confidence Level	$469,526.05[3,4]
Lower Limit Overpayment Estimate at 95% Confidence Level	$440,822.54[4]
Precision of Population Overpayment Projection at the 95% Confidence Level	**17,260.46 (3.77%) Lower[4]** **19,418.02 (4.24%) Upper[3,4]**

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

[3] Confidence interval limited to not exceed actual population payment amount less value of correct services found in sample.
[4] Correction in lower limit confidence level using method described in "Sampling Methods For The Auditor, An Advanced Treatment" by Herbert Arkin. This method uses tables provided by E.S. Pearson and H.O. Hartley, Biometrica Tables for Statisticians, vol. 1, Cambridge University Press, New York, 1954, Table 42.

APPENDIX II

Angel Carriers, LLC
1142 East Midlothian Blvd
Youngstown, Ohio 44502

July 20, 2016

Ms. Kristi Erlewine, Chief Auditor
Medicaid/Contract Audit Section
88 East Broad Street, Ninth Floor
Columbus, Ohio 43215-3506

RE: Compliance Examination Report
Medicaid Provider # 2730049

Dear Ms. Erlewine:

Please find the response of Angel Carriers LLC to the draft compliance examination report dated June 7, 2016, amended following the exit conference of July 13, 2016.

Angel Carriers maintains that all services billed for the period July 1, 2011 through June 30, 2014 were provided for Medicaid eligible individuals and only for approved services. Angel Carriers has not sought nor received Medicaid reimbursement for services not rendered or for ineligible clients or ineligible services. Angel Carriers disputes any overpayment on that basis.

As noted in the report, Angel Carriers suffered the loss and/or damage of records in a fire at the business location on Market Street in October 2014. Following the fire, the business had to be relocated within days. And, the temporary location had to be vacated in a little over six months. When what was believed to be a permanent location was found on East Western Reserve Road, the landlords sold the property with no notice to Angel Carriers forcing yet another relocation. So, a fire and two moves within a one year period added to the loss and disorganization of maintained records. Many of the records that were examined were blackened with soot, a fact which was not mentioned in the report.

Angel Carriers is committed to providing the much needed transportation services to Medicaid eligible clients and continues to working to insure compliance with Medicaid regulations and improve maintenance of records.

Sincerely yours,

Natalie Riley Rodway.

Natalie Riley Rodway
Angel Carriers, LLC

NRR:nr

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Dave Yost • Auditor of State

ANGEL CARRIERS

MAHONING 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
AUGUST 9, 2016

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