



OHIO AUDITOR OF STATE
KEITH FABER



**PAMER CHIROPRACTIC LIFE WEST, LTD.
RICHLAND COUNTY**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT CHIROPRACTIC AND RELATED EVALUATION AND MANAGEMENT SERVICES

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Pamer Chiropractic Life West, Ltd.
Ohio Medicaid Number: 2181204 NPI: 1306047055

We examined Pamer Chiropractic Life West, Ltd.'s (Pamer Chiropractic) compliance with specified Medicaid requirements for service documentation and provider qualifications related to the provision of chiropractic manipulation services during the period of January 1, 2018 through December 31, 2019. Additionally, we tested related evaluation and management (E&M) services billed with the modifier 25 on the same day as a chiropractic manipulation service to the same recipient.

Pamer Chiropractic entered into an agreement (the Provider Agreement) with the Ohio Department of Medicaid (Department) to provide services to Medicaid recipients and to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Management of Pamer Chiropractic is responsible for its compliance with the specified requirements. The accompanying Compliance Section identifies the specific requirements examined. Our responsibility is to express an opinion on Pamer Chiropractic's compliance with the specified Medicaid requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Pamer Chiropractic complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Pamer Chiropractic complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion. Our examination does not provide a legal determination on Pamer Chiropractic's compliance with the specified requirements.

Internal Control over Compliance

Pamer Chiropractic 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 Pamer Chiropractic's internal control over compliance.

Basis for Adverse Opinion

Pamer Chiropractic did not have documentation to support the payment for 58 percent of the chiropractic manipulation services examined. And in the separate test of chiropractic manipulation services billed in conjunction with an E&M code, Pamer Chiropractic had no documentation to support 34 of the 56 (61 percent) chiropractic manipulation services. In addition, Pamer Chiropractic billed all of its services using the Medicaid number of Mathias G. Pamer as the rendering chiropractor; however, documents indicated the rendering practitioner was a different chiropractor, Kevin M. Statom or Joseph C. Whitehead. We further determined that Joseph C. Whitehead is not an eligible Medicaid provider.

Adverse Opinion on Compliance

In our opinion, Pamer Chiropractic has not complied, in all material respects, with the select requirements pertaining to chiropractic manipulation services for the period of January 1, 2018 through December 31, 2019.

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

We identified improper Medicaid payments in the amount of \$27,596.84. This finding plus interest in the amount of \$1,508.75 (calculated as of September 27, 2021) totaling \$29,105.59 is due and payable to the Department upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the Department, which are not validated in the records, are subject to recoupment through the audit process. See Ohio Admin. Code § 5160-1-27 In addition, if waste and abuse¹ are suspected or apparent, the Department and/or the office of the attorney general will take action to gain compliance and recoup inappropriate or excess payments.

This report is intended solely for the information and use of Pamer Chiropractic, the Department and other regulatory and oversight bodies and is not intended to be, and should not be, used by anyone other than these specified parties.



Keith Faber
Auditor of State
Columbus, Ohio

September 27, 2021

¹ "Waste and abuse" are "practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and that constitutes an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program." Ohio Admin. Code § 5160-1-29(A)

COMPLIANCE SECTION

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. 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. See Ohio Admin. Code § 5160-1-17.2(D) and (E)

Ohio Medicaid recipients may be eligible to receive chiropractic services if the service is rendered by a qualified practitioner enrolled in the Medicaid program and is for the correction of a subluxation. Chiropractic services include spinal manipulation, diagnostic imaging to determine the existence of a subluxation. See Ohio Admin. Code § 5160-8-11

Pamer Chiropractic is a professional medical group located in Mansfield, Ohio. Under the provider number examined, Pamer Chiropractic received payment of \$72,779 for 4,196 services². Pamer Chiropractic does business as Pamer Chiropractic Life Center which is identified on the Provider Agreement; however, it is not a registered trade name with the Ohio Secretary of State.

The owner of Pamer Chiropractic is also part owner of Pamer Chiropractic Life Center East, Ltd. (Medicaid provider number 0778770), Pamer Family Chiropractic, LLC (2257249) and Victory Chiropractic, LLC (2990527) which were active provider numbers during our examination period. During this time, Pamer Chiropractic Life Center East, Ltd. and Pamer Family Chiropractic, LLC received combined total Medicaid payments of \$75,964³. We did not examine any payments associated with these provider numbers. Victory Chiropractic, LLC received no Medicaid payments during our examination period.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Pamer Chiropractic's claims for payment 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 chiropractic manipulation services and select E&M services as specified below for which Pamer Chiropractic billed with dates of service from January 1, 2018 through December 31, 2019 and received payment.

We obtained paid claims data from three Medicaid managed care organizations (MCOs). The MCOs' claims data obtained showed that the services were paid to Pamer Chiropractic's tax identification number. We removed denied services, services paid at zero and services in which Medicaid was not the primary payer.

From the total paid services population, we identified 56 E&M services (procedure codes 99201 and 99212) billed with the modifier 25 on the same day and to the same recipient as a chiropractic service (chiropractic manipulation 1-2 regions – 98940 and chiropractic manipulation 3-4 regions – 98941). The modifier 25 is used to report a significant, separately identifiable E&M service by the same practitioner on the same day of another procedure or service. We selected these services to examine in their entirety (E&M with Modifier 25 on Same Day as Manipulation Service Exception Test).

² Totals reported include payments from the following MCOs: Buckeye, Molina Healthcare and United HealthCare.

³ Payment data from the Medicare Information Technology System (MITS).

Purpose, Scope, and Methodology (Continued)

From the remaining population, we extracted all chiropractic manipulation services (98940 and 98941) into separate files for each procedure code. We selected all chiropractic manipulation 1-2 region services to examine (census) and a simple random sample of chiropractic region 3-4 region services. We used a statistical sampling approach to examine services in order to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

The exception test, census and calculated sample size are shown in **Table 1**.

Table 1: Exception Test, Census and Sample Size		
Universe	Population Size	Selected Services
Exception Test		
E&M with Modifier 25 on Same Day as Manipulation Service Exception Test (99201, 99212, 98940 and 98941)	112	112
Sample/Census		
Chiropractic Manipulation 1-2 regions (98940) Census	63	63
Chiropractic Manipulation 3-4 regions (98941) Sample	<u>3,073</u>	<u>100</u>
Total for Chiropractic Services	3,136	163
Total	3,248	275

A notification letter was sent to Pamer Chiropractic setting forth the purpose and scope of the examination. During the entrance conference, Pamer Chiropractic described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used by Pamer Chiropractic, reviewed service documentation and verified professional licensure and each rendering chiropractor's active Medicaid agreement.

We sent preliminary results to Pamer Chiropractic and reviewed the response; however, no additional service documentation was provided.

Results

The summary results are shown in **Table 2**. While certain services had more than one error, only one finding was made per service. In addition, we did not identify an improper payment for all errors and referred certain matters to the Department and the MCOs to determine if further action is warranted. The non-compliance and basis for findings is discussed below in further detail.

Table 2: Results				
Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Test				
E&M with Modifier 25 on Same Day as Manipulation Service Exception Test	112	97	97	\$607.90
Census/Sample				
Chiropractic Manipulation 1-2 regions	63	56	59	\$596.94
Chiropractic Manipulation 3-4 regions	<u>100</u>	<u>66</u>	<u>66</u>	<u>\$26,392.00</u>
Total for Chiropractic Services	163	122	125	\$26,998.94
Total	275	219	222	\$27,596.84

Results (Continued)

We identified improper payments for 55 of the 66 noncompliant chiropractic manipulation 3-4 region services. The improper payments identified for these 55 services were projected across the Pamer Chiropractic's population of chiropractic manipulation services 3-4 regions (98941) resulting in a projected overpayment of \$31,059 with a precision of plus or minus \$5,577 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 \$26,392. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$26,392. A detailed summary of our statistical sample and projection results is presented in **Appendix I**.

A. Provider Qualifications

Per Ohio Admin. Code § 5160-1-17, a professional medical group is a group that consists of individual practitioners recognized by the Department as eligible members and the name and national provider identifier of the practitioner who furnishes services shall be on claims submitted to the Department for reimbursement. In addition, each managed care plan is required to report individual-level rendering provider information to the Department so that Ohio Medicaid complies with federal reporting requirements.

The claims data identified the rendering practitioner for all services as Mathias Pamer; however, service documentation reflected the names of two additional chiropractors. We searched MITS to verify the Medicaid provider agreement for the three chiropractors. We confirmed provider agreements for Mathias G. Pamer and Kevin M. Statom. We found no active Medicaid agreement for Joseph C. Whitehead.

According to Ohio Admin. Code § 5160-8-11(B)(1), chiropractic services require a valid license to practice as a chiropractor or mechanotherapist. Based on information from the Ohio e-License Center website, the licenses for the three chiropractors were current and valid during the examination period.

Per Ohio Admin. Code § 5160-1-17.2(H), in signing the Medicaid provider agreement, a provider agrees that the individual practitioner or employee of the company is not currently subject to sanction under Medicare, Medicaid, or Title XX; or, is otherwise prohibited from providing services to Medicaid beneficiaries.

We compared the names of the three chiropractors identified to the Office of Inspector General exclusion database and the Department's exclusion/suspension list and found no matches. We also compared the identified owners' name to the exclusion/suspension list and found no match.

E&M with Modifier 25 on Same Day as Manipulation Service Exception Test

These 112 services contained 78 services with supporting documentation. Of the 78 services, 63 were rendered all or in part by Dr. Whitehead and two were rendered all or in part by Dr. Statom.

Chiropractic Manipulation Services

These 163 manipulation services included 66 instances in which there was supporting documentation that reflected a chiropractic manipulation was performed. Of these 66 services, 12 were rendered all or in part by Dr. Whitehead.

Pamer Chiropractic explained that Dr. Pamer would interview and assess the patient and then Dr. Whitehead would complete the examination and that Dr. Statom performed chiropractic services under the direction of Dr. Pamer.

A. Provider Qualifications (Continued)

We did not identify an improper payment for services rendered by Dr. Whitehead and have referred this matter to the Department and the MCOs to determine if additional administrative action is warranted.

Recommendation

Pamer Chiropractic should implement changes to its billing practices to correctly identify the rendering practitioner on all claims and should ensure that only services rendered by an eligible practitioner are billed to the Ohio Medicaid program. Pamer Chiropractic should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation

All Medicaid providers are required by Ohio Admin. Code § 5160-1-27(A) to keep records to establish medical necessity and meet requirements that include, but are not limited to, disclosing the type, extent and duration of services provided to Medicaid recipients. We applied these requirements to the exception test and the chiropractic manipulation services sample.

E&M with Modifier 25 on Same Day as Manipulation Service Exception Test

The 112 services examined contained 34 instances (30 percent) in which there was not sufficient documentation to support the payment for the chiropractic manipulation. In these instances, the electronic health record (EHR) carried forward certain aspects of the medical record from prior visits, but did not contain any notation or description of a chiropractic service being rendered on the selected date of service. These 34 errors resulted in the improper payment of \$607.90.

Chiropractic Manipulation Services

The 163 chiropractic manipulation services examined contained 95 instances (58 percent) in which there was not sufficient documentation to support the payment. These errors included 42 of the services billed with a 98940 procedure code and 53 of the services billed with a 98941 procedure code. In these instances, the EHR system carried forward the documentation of a prior visit, but did not include any notation of a chiropractic manipulation being rendered on the selected date of service. There were also two instances in which there was no documentation to support the service. These 97 errors are included in the projected improper payment amount of \$26,998.94.

If the service documentation reflected a chiropractic manipulation, but did not clearly indicate the date performed, no improper payment was identified. As such, the projected improper payment identified is a conservative estimate.

In addition, there were 16 instances in which the chiropractic manipulation code billed did not match the manipulation services documented. These 16 errors did not result in an overpayment.

Pamer Chiropractic stated that a chiropractic manipulation service was performed for each payment; however, the EHR system has limitations that impacted its ability to clearly identify the services performed.

Recommendation

Pamer Chiropractic should develop and implement procedures to ensure that all service documentation and billing practices fully comply with requirements of the Medicaid program. In addition, Pamer Chiropractic should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. Pamer Chiropractic should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation (Continued)

Recommendation (Continued)

In addition, we recommend Pamer Chiropractic exercise reasonable diligence to identify, report and return any Medicaid overpayments from the additional locations that may use the same EHR software for instances in which it lacks sufficient documentation to support the payment. The Department and the MCOs should follow up with Pamer Chiropractic to ensure any improper payments have been fully identified and reported.

Official Response

Pamer Chiropractic indicated that the medical records confirmed that the patient was seen; however, it acknowledged that the records do not indicate the chiropractic service performed. Pamer Chiropractic offered affidavits from two of the three practitioners identified in this report as support for services rendered. It stated that if affidavits were not sufficient, then patient interviews could be conducted.

Pamer Chiropractic reported that it had implemented as a corrective action the training of staff on the use of, review and corrections to carry-forward notations. In addition, Pamer Chiropractic indicated that the non-compliance found in this examination did not occur at its other service locations.

A copy of the entire official response can be obtained from Pamer Chiropractic Life West, Ltd. located at 300 Lexington-Springmill Road S, Mansfield, Ohio 44906.

Auditor of State Conclusion

Ohio Admin Code. § 5160-1-17.2 specifies the requirement "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 audit initiated within the required six year record maintenance period is completed." There is no provision in the rule for an affidavit created in response to an audit meeting this requirement.

We examined all documentation submitted by Pamer Chiropractic including examples of a billing ledger and of a patient sign-in sheet. We noted that the sign-in sheet only had indicators for cervical traction, therapeutic activity, vibe plate and denneroll services. There was no indicator for a chiropractic manipulation service, which was the procedure code examined.

As the Ohio Medicaid requirements are to maintain records for the specified period, the methodology used in this compliance examination focused on the supporting documentation. Interviewing patients as to the specifics of services received in 2018 and 2019 was not included in the methodology. We examine documentation to determine if the proper procedure code was billed, to confirm the service met Medicaid's requirements for coverage and to identify the rendering practitioner. As noted in this report, one practitioner identified was not approved to participate in the Ohio Medicaid program. Pamer Chiropractic's response did not address the identified provider qualification errors.

After reviewing the official response, we made no revisions to the results of the compliance examination.

Appendix I

Summary of Chiropractic Manipulation 3-4 Region Services Sample

POPULATION

The population is all paid chiropractic manipulation services 3-4 regions, net of any adjustments, where the service was billed with dates of service during the period of January 1, 2018 through December 31, 2019 and payment was made by an MCO.

SAMPLING FRAME

The sampling frame for this sample is paid and processed claims from each MCO's claim system. These systems contain all Medicaid payments and all adjustments made to Medicaid payments by the MCO.

SAMPLE UNIT

The sampling unit was a service.

SAMPLE DESIGN

We used a simple random sample.

Description	Results
Number of Services in Population	3,073
Number of Services Sampled	100
Number of Services Sampled with Errors	55
Total Medicaid Amount Paid for Population	\$55,258
Amount Paid for Services Sampled	\$1,821
Estimated Overpayment (Point Estimate)	\$31,059
Precision of Overpayment Estimate at 95% Confidence Level	\$5,577 (17.96%)
Precision of Overpayment Estimate at 90% Confidence Level	\$4,667 (15.03%)
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90% overpayment precision from the point estimate) (equivalent to the estimate used for Medicare audits)	\$26,392

Source: Analysis of MCO information and the Provider's records

OHIO AUDITOR OF STATE KEITH FABER



PAMER CHIROPRACTIC LIFE WEST, LTD.

RICHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/28/2021

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