



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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# Ohio Medicaid Program

## *Review of Medicaid Provider Reimbursements Made to Brookeside Ambulette*

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A Compliance Review by the

**Fraud, Waste, and Abuse  
Prevention Division**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Howard Schnabel, Owner  
Brookeside Ambulette  
Provider #0963159  
P.O. Box 6897  
Toledo, Ohio 43612-1370

Dear Mr. Schnabel:

We have completed our audit of selected medical services rendered to Medicaid recipients by Brookeside Ambulette for the period January 1, 1996 through December 31, 1999. We identified overpayments in the amount of \$39,132.71, which must be repaid to the Ohio Department of Job and Family Services. A "provider remittance form" is located at the back of this report for remitting payment.

Please be advised that in accordance with Ohio Revised Code Section 131.02, if payment is not made to the Ohio Department of Job and Family Services within 45 days of receipt of this report, this matter will be referred 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, the Ohio Attorney General, and the Ohio State Medical Board. If you have any questions, please feel free to contact Johnnie L. Butts, Jr., Chief, Fraud, Waste and Abuse Prevention Division, at (614) 466-3212.

Yours truly,

JIM PETRO  
Auditor of State

August 23, 2000



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### **ABBREVIATIONS**

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

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## ***SUMMARY OF RESULTS***

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The Auditor of State performed a review of Brookeside Ambulette, Provider #0963159, doing business at 640 Phillips Avenue, Toledo, Ohio 43612. Overpayments amounting to \$39,132.71 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by Brookeside Ambulette for services that did not meet reimbursement rules under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code (OAC). Therefore, pursuant to Ohio Revised Code Section (ORC)117.28, a finding for recovery is issued against the Provider for improperly received monies in the amount of \$39,132.71.

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## ***BACKGROUND***

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The Auditor of State, working in cooperation with the Ohio Department of Job and Family Services (ODJFS), performs reviews designed to assess Medicaid providers' compliance with federal and state claims reimbursement rules. A Provider renders medical, dental, laboratory, or other services to Medicaid recipients.

Medicaid was established in 1965 under the authority of Title XIX of the Social Security Act and is a federal/state financed program which provides assistance to low income persons, families with dependent children, the aged, the blind, and the disabled. ODJFS administers the Medicaid program. The rules and regulations that providers must follow are issued by ODJFS in the form of an Ohio Medicaid Provider Handbook.

ODJFS' Medicaid Provider Handbook, General Information, Section II, Subsection (B), Chapter 3334, (OAC Section 5101:3-1-01) states in part, "Medical necessity" is the fundamental concept underlying the Medicaid program. A physician must render or authorize medical services within the scope of their licensure and based on their professional judgement of those services needed by an individual. "Medically necessary services" are services which are necessary for the diagnosis or treatment of disease, illness, or injury and meet accepted standards of medical practice."

Medical transportation services are among the services reimbursed by the Medicaid program when delivered by eligible providers to eligible recipients. The range of medical transportation services includes emergency and non-emergency ambulance transport to a Medicaid covered service, non-emergency ambulette/wheelchair vehicle transport to a Medicaid-covered service, as well as emergency and non-emergency air ambulance transport. Covered medical transportation services (ambulance and ambulette/wheelchair vehicle services) are those transports that are determined to be medically necessary and appropriate to the recipient's health. Requirements for providers of medical transportation services are covered in ODJFS' Transportation Services Manual, which is a part of the Ohio Medicaid Provider Handbook.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), (OAC Section 5101:3-1-172), providers are required to "Maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions. The

provider will maintain such records for a period of six years from the date of receipt of payment or until any initiated audit is completed, whichever is longer.”

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## ***PURPOSE SCOPE AND METHODOLOGY***

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The purpose of this review was to determine whether the Provider’s claims to Medicaid for reimbursement of transportation services were in compliance with regulations and to calculate the amount of any overpayment resulting from non-compliance.

We informed the Provider by letter they had been selected for a compliance review. An Entrance Conference was held on April 24, 2000 with Howard Schnabel, Owner, Stephanie Kuron, Office Manager, and Jody Gruesbeck, Billing Coordinator.

We utilized ODJFS’ Ohio 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 Medicaid. This computerized claims data includes patient name, place of service, date of service, and type of procedure/service. These healthcare procedures and services are codified using one or more of the following five digit coding systems:

Current Procedural Terminology (CPT)<sup>1</sup>,  
Health Care Financing Administration’s<sup>2</sup> (HCFA) Common Procedural Coding System (HCPCS), and  
ODJFS’ local level codes.

The scope of our review was limited to claims for which the Provider was paid by Medicaid during the period January 1, 1996 through December 31, 1999. To facilitate an accurate and timely review of paid claims, a statistical random sample of 122 transaction control numbers (TCN’s), which is the identifier for a transportation service bill for one recipient, was taken. These TCN’s contained 988 services. We examined the amounts reimbursed by ODJFS and conducted an on-site review of the transportation records.

For the January 1, 1996 through December 31, 1999 review period, the Provider was reimbursed \$626,879.25 for 50,571 Medicaid ambulette services. For the 122 TCN’s in our sample, the Provider billed and was reimbursed \$13,443.11. Table 1 below summarizes the transportation services included in our sample.

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

<sup>2</sup>HCFA has federal oversight of the Medicaid program.

**Table 1: Transportation Services Billed by and Reimbursed to  
Brookeside Ambulette for 122 TCN's  
Audit Period January 1, 1996 to December 31, 1999**

Procedural Definition	Procedure Code	Number of Services	Amount of Reimbursement
Non-emergency ambulette/wheelchair vehicle transport	A0130	500	11,219.75
Ambulette, Loaded mileage	Z0160	486	2,209.90
Additional Attendant, Ambulette	Z0040	2	13.46
<b>TOTALS</b>	-----	<b>988</b>	<b>\$13,443.11</b>

Source: Paid claims contained in ODJFS' MMIS.

The review involved comparing the transportation records with the claims payment history from MMIS. The documents requested from the Provider for review included:

- (1). A trip log which should state the date of service, time of call, name(s) of attendant(s), time of pickup, name(s) of client(s), name of driver and certification number, departure/destination, and loaded mileage. A trip log is used to validate that a transportation service took place.
- (2). The original ODJFS 3452 Physician Certification form documenting the medical necessity of the transport.
- (3). Copies of each ambulette driver's certification card for basic first-aid training. This certification may be issued by the American Red Cross or an equivalent training program.

We also visually inspected an ambulette vehicle to determine if the required equipment was in place.

Work performed on this audit was done in accordance with government auditing standards. Detailed below are the results of this review.

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***FINDINGS***

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Our review identified 13 TCN's out of the 122 TCN's in our sample containing 18 dates of service where overpayments occurred. Based on the number of services with overpayments in the sample, we projected a total overpayment of \$39,132.71. The basis for our projection is shown in

Appendix I.

We identified overpayments in two areas: (1) No Documentation and (2) Missing Physician Certifications. A discussion of each area -- including the number of instances found and the basis for

the overpayment follows.

## **No Documentation**

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection B, (OAC Section 5101:3-1-172), the provider must maintain records for a period of six years from the date of receipt of payment or until any initiated audit is completed, whichever is longer, to fully describe the extent of services rendered.

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

The review of our statistical random sample of 122 TCN's identified 11 TCN's with 16 dates of service where the Provider billed and was reimbursed by ODJFS for transportation services but was unable to provide documentation to support the service. Therefore, we were unable to verify that services were performed.

## **Failure to Provide Physician Certifications**

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

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

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

During our review of patient records for the 122 randomly selected TCN's, we found 2 TCN's with 2 dates of service in which the physician certification was missing. These TCN's were in addition to the 11 TCN's that lacked any type of documentation. Since the patient record did not have a physician certification, we were unable to validate the medical necessity of the transport. Therefore,

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<sup>3</sup>This section was repealed and amended as part of OAC Section 5101:3-15-02 effective 03/01/00.

the provider was ineligible for reimbursement for these 2 dates of service.

## **Finding for Recovery**

We used the error rate for the 16 dates of service with no documentation and 2 dates of service without a physician's certification to project an overpayment for all services that were billed and reimbursed during the audit period. Together, these deficiencies resulted in a finding for recovery of \$39,132.71.

## **Other Records Did Not Support Medical Necessity of Transports**

Our review noted one other area of deficiency within the transportation records. This deficiency was brought to the Provider's attention during our review. Some of the records we reviewed in our sample lacked vital information necessary to completely meet the compliance criteria of medical necessity. Although we did not calculate overpayments for this deficiency, it is detailed below along with recommendations intended to prevent future instances of non-compliance and lessen the risk of overpayments.

The Transportation Manual, Section AMB.1101, (OAC section 5101:3-15-02) states, "a physician must certify on the ODJFS 3452 Physician Certification Form ambulance and ambulette/wheelchair vehicle transportation services to be medically necessary. The physician must state the medical problems which contraindicate transportation by any other means on the date of transport."

To verify the medical necessity of a transportation service, the physician is required to designate the condition of the patient, e.g. "wheel chair bound", "ambulatory with assistance", "bed confined before and after trip", etc. by completing Section 17 of the Physician Certification Form. Moreover, certain designations in Section 17 that are followed by a "\*" also require the physician to explain in Section 18 why the patient cannot be transported by common carrier or wheelchair/ambulette, and if bed confined, the physician is also required to list the diagnosis. During our sample review, we noted in 25 instances that Section 17 and/or Section 18 had not been completed.

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

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## ***CONCLUSION***

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The Provider was given an opportunity to review a draft of this report and provide additional documentation or otherwise respond in writing. The final finding amount was adjusted based on documentation received the week of July 3, 2000 from the Provider.

Therefore, pursuant to Ohio Revised Code Section (ORC)117.28, a finding for recovery is issued against the Provider for improperly received monies in the amount of \$39,132.71. The Provider is aware of the amount and reason for the findings. The Provider is also aware if payment is not made within 45 days of receipt of this report, this matter will be referred to the Ohio Attorney General's Office for collection.

**APPENDIX I**

**Table 1: Summary of Record Analysis of Brookeside Ambulette  
For the period January 1, 1996 to December 31, 1999**

<b>Description</b>	<b>Audit Period January 1, 1996- December 31,1999</b>
<b>Total Medicaid Transportation Services Paid</b>	<b>\$626,879.25</b>
<b>Number of Transportation Services</b>	<b>50,571</b>
<b>Type of Examination</b>	<b>Statistical Random Sample of 122 TCN's</b>
<b>Number of Sampled TCN's containing services with overpayments</b>	<b>13</b>
<b>Number of Transportation Services Sampled</b>	<b>988</b>
<b>Amount Paid for Services Sampled</b>	<b>\$13,443.11</b>
<b>Projected Total Overpayment From Statistical Sample</b>	<b>\$39,132.71</b>
<b>Upper Limit at 95% Confidence Level</b>	<b>\$40,978.02</b>
<b>Lower Limit at 95% Confidence Level</b>	<b>\$37,287.40</b>
<b>Precision of Projection</b>	<b>+/- 4.7 %</b>

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## PROVIDER REMITTANCE FORM

Make your check payable to the Treasurer of State of Ohio and mail check along with this completed form to:

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

Provider: Brookeside Ambulette  
640 Phillips  
Toledo, Ohio 43216

Provider Number: 0963159

Review Period: January 1, 1996 through December 31, 1999

AOS Finding Amount: \$39,132.71

Date Payment Mailed: \_\_\_\_\_

Check Number: \_\_\_\_\_

**IMPORTANT:** To ensure that our office properly credits your payment, please also fax a copy of this remittance form to: Charles T. Carle at (614) 728-7398.

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800-282-0370  
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**BROOKESIDE AMBULETTE**

**LUCAS 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 29, 2000**