



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements made to Madison Medical Clinic

A Compliance Review by the

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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

S.C. Garcia, M.D., President
Westlake Medical Associates
26314 Center Ridge Road
Cleveland, Ohio 44145

Re: Madison Medical Clinic¹
Provider Number: 0541515

Dear Dr. Garcia:

We have completed our review of selected medical services rendered to Medicaid recipients by Madison Medical Clinic for the period January 1, 1996 through June 30, 1999. We identified findings for recovery in the amount of \$86,160.47. The findings represent Medicaid overpayments that must be repaid to the Ohio Department of Human Services.

In response to your attorney's request for an opportunity to repay the findings in installments, the findings will be referred to the Office of the Ohio Attorney General, which has authority to schedule installment repayments. We also acknowledge receipt of the corrective compliance plan you have put into place to bring your billing procedures into compliance with Medicaid rules.

A copy of this report is also being sent to the Ohio Department of Human Services and the Ohio State Medical Board. If you have any questions, please feel free to contact Robert I. Lidman, Deputy Chief, Fraud, Waste and Abuse Prevention Division, at (614) 728-7216.

Yours truly,

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

March 17, 2000

¹Physician members of Madison Medical Clinic currently bill for Medicaid services as Westlake Medical Associates under a different provider agreement.

This Page Intentionally Left Blank

TABLE OF CONTENTS

SUMMARY OF RESULTS 1

BACKGROUND 1

PURPOSE, SCOPE AND METHODOLOGY 1-2

FINDINGS 3

 Unsupported Level of Service 3

CONCLUSION 4

APPENDIX I: Summary of Record Analysis for Madison Medical Clinic 5

PROVIDER REMITTANCE FORM 7

ABBREVIATIONS

AMA	American Medical Association
AOS	Auditor of State
CPT	Physician’s Current Procedural Terminology
E&M	Evaluation and Management
FWAP	Fraud, Waste, and Abuse Prevention (Division of)
HCFA	Health Care Financing Administration
HCPCS	HCFA Common Procedure Coding System
ODHS	Ohio Department of Human Services
OAC	Ohio Administrative Code
ORC	Ohio Revised Code

This Page Intentionally Left Blank

SUMMARY OF RESULTS

The Auditor of State performed a review of Madison Medical Clinic, Provider Number 0541515, at 10505 Madison Avenue, Cleveland, Ohio 44102. Madison Medical

Clinic no longer bills for Medicaid services; however, former physician members of Madison Medical Clinic currently bill for Medicaid services as Westlake Medical Associates (Provider Number 0513902), 26314 Center Ridge Road, Cleveland, Ohio 44145.

During this review, findings amounting to \$86,160.47 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by Madison Medical Clinic for improperly billed services under the Ohio Medicaid Provider Handbook and the Ohio Administrative Code. Therefore, pursuant to Ohio Revised Code Section 117.28, a finding for recovery is issued against the provider for improperly received monies in the amount of \$86,160.47.

BACKGROUND

The Auditor of State, working in cooperation with the Ohio Department of Human Services, performs audits 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. Medical necessity is the fundamental concept underlying the program.

The Ohio Department of Human Services (ODHS) administers the Medicaid program. The rules and regulations that providers must follow are issued by ODHS in the form of an Ohio Administrative Code and the Medicaid Provider Handbook. Pursuant to these rules and regulations², providers are required to keep records which will disclose the extent of services rendered and must provide those records upon request. Additionally, statistical methods may be used to audit providers and to determine any amount of overpayment. Overpayments found during the course of a review are recoverable at the time of discovery.

PURPOSE, SCOPE AND METHODOLOGY

The purpose of this review was to determine whether the Provider's claims for reimbursement of services rendered to Medicaid patients were made in compliance with regulations and to calculate the amount of any ODHS overpayment resulting from noncompliance.

²Ohio Medicaid Provider Handbook, Chapter 3334, Section VI, and Ohio Administrative Code Section 5101:3-1-27.

Our review was limited in scope, as it included only selected services which the Provider rendered to Medicaid recipients during the period January 1, 1996 through June 30, 1999.

We reviewed the Provider's history of services billed to and paid by ODHS to determine whether they were in compliance with applicable regulations. This history of services, maintained in ODHS' Medicaid Management Information System (MMIS), included patient name, place of service, amount billed and paid, and procedure/service billed.

Procedures and services are codified using the following five digit coding systems:

- Current Procedural Terminology (CPT)³,
- Health Care Financing Administration's⁴ (HCFA) Common Procedural Coding System (HCPCS), and
- ODHS' local level.

We examined the amounts reimbursed by ODHS and conducted a review of various patient medical records.

We utilized ODHS' Medicaid Provider Handbook and the Ohio Administrative Code (OAC) as guidance in determining the extent of service and applicable reimbursement rates.

To facilitate an accurate review of paid claims in a timely and economic manner, we performed a review of statistical randomly selected medical records. Overpayment amounts were calculated for noncompliant items. The number and amount were then projected to the total patient population in these service areas to arrive at findings for recovery. Our sample results were projected with a 95 percent level of confidence to the provider's Medicaid recipient population during the cited time period.

The Provider was informed by mail on November 10, 1999 that they had been selected for a compliance review. A request for medical record copies was sent on December 14, 1999, and a desk review of these medical records was subsequently performed. A draft report was sent to the Provider on January 26, 2000. The Provider was given an opportunity to respond in writing and/or submit additional documentation to rebut the findings. The Provider submitted a response dated February 25, 2000.

Work performed on this review was done in accordance with generally accepted government auditing standards.

³The CPT is published by the American Medical Association (AMA) for the purpose of providing a uniform language to describe medical services.

⁴HCFA has federal oversight of the Medicaid program.

FINDINGS

Our finding for recovery of \$86,160.47 resulted from overpayments in one provider service claim category. The service category, the basis for the overpayment, and the dollar amount overpaid are detailed in the section below.

UNSUPPORTED LEVEL OF SERVICE

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3336, Section II, Subsection A(2), (OAC Section 5101:3-4-06), providers must select and bill the appropriate visit [Evaluation & Management (E&M) service level] code in accordance with the CPT code definitions and the CPT instructions for selecting a level of E&M.

Providers must select and bill an E&M visit code that best reflects the level of service provided during a patient's visit. There are five (5) levels of service available for established patients which vary based on the service provided. The most basic service (CPT code 99211), may not require the presence of the physician. This may include injections, blood pressure checks, and discussion of test results. The most extensive service (CPT code 99215), requires a comprehensive history, comprehensive examination, or high complexity decision making. During our audit period, reimbursement for established patient E&M services ranged from \$10.10 per visit (increasing to \$10.83 per visit on January 1, 1997) for CPT code 99211, to \$61.35 per visit (increasing to \$67.21 per visit on January 1, 1997) for CPT code 99215.

During our review of the Provider's paid claims, we determined that ninety-five percent of the billings for established patient services were for high level CPT code 99215. This prompted a statistical random sample of patients receiving these services.

Our review consisted of 50 randomly selected patient medical charts with 108 instances of established patient billings. Of the 108 instances reviewed, 90 did not have the required documentation to meet the high level billed. In these 90 instances, the medical charts indicated a lower level of service was performed. For example, some patient records documented only a prescription refill or immunization. This type of service and documentation would be indicative of a lower level visit (CPT code 99211). Other types of services included recipients with a sprained wrist, warts, head lice, or cough, where the patients' charts showed the Provider performed a minimal to limited history and/or examination. These types of services would be more indicative of a lower level visit (CPT codes 99212 or 99213). In all 90 instances, we determined that the Provider was entitled to less reimbursement than what was billed and paid.

We then projected the error rate for the billed services across the total population of patients with these types of services. A finding for recovery was then calculated for \$86,160.47, which represents the projected overpayment in the category. The finding was based on reducing the amount reimbursed to the Provider for CPT code 99215 to the level of service supported in the patient medical record.

CONCLUSION

Based on the review, the findings for recovery are in the amount of \$86,160.47. When advised of the findings in a draft report, the Provider's attorney submitted a written response, dated February 25, 2000. In the response, the Provider requested an opportunity to repay the findings for recovery in 12 equal installments. As a result, we are referring our report to the Office of the Attorney General, which has authority to schedule installment repayments.

In addition, the Provider has developed a corrective compliance plan to prevent a reoccurrence of the overpayments and to demonstrate willingness to be in compliance with Medicaid billing rules. With full and proper implementation of the plan, the provider's level of compliance should improve.

APPENDIX I

Summary of Record Analysis of Madison Medical Clinic January 1, 1996 to June 30, 1999

Description	January 1, 1996 - June 30, 1999
Type of Examination	Statistical Sample of Established Patient Evaluation & Management Services Billed Under CPT code 99215
Total Amount Paid by Medicaid for Established Patient Evaluation & Management Services	\$ 147,412.39
Number of Patients with Billings of CPT Code 99215	802
Number of Paid Claims For Services Billed Under CPT Code 99215	2,297
Amount Paid for Sampled Evaluation & Management Service - CPT Code 99215	\$ 6,705.80
Number of Patients Sampled with Billings of CPT Code 99215	50
Number of Paid Evaluation & Management Services Sampled	108
Projected Overpayment From Statistical Sample	\$ 86,160.47
Upper Limit at 95% Confidence Level	\$ 94,935.84
Lower Limit at 95% Confidence Level	\$ 77,385.10
Precision Interval 95% Confidence Level	+/-10.2%

This Page Intentionally Left Blank

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: Madison Medical Clinic⁵
10505 Madison Avenue
Cleveland, Ohio 44102

Provider Number: 0541515

Review Period: January 1, 1996 through June 30, 1999

AOS Finding Amount: \$86,160.47

Date Payment Mailed: _____

Check Number: _____

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

⁵Physician members of Madison Medical Clinic currently bill for Medicaid services as Westlake Medical Associates (Provider Number 0513902), 26314 Center Ridge Road, Cleveland, Ohio 44145.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

MADISON MEDICAL CLINIC

CUYAHOGA 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
MARCH 28, 2000**