



STATE OF OHIO  
OFFICE OF THE AUDITOR

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JIM PETRO, AUDITOR OF STATE

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# Ohio Medicaid Program

## *Review of Medicaid Provider Reimbursements Made to Cardiacare*

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A Compliance Report prepared by the

**Fraud, Waste and Abuse  
Prevention Division**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Mr. Ted Meroe, Vice President  
Administrative Services  
Raytel Cardiac Services  
7 Waterside Crossing  
Windsor, Connecticut 06095-1548

Re: Medicaid Review of Cardiacare  
Ohio Medicaid Provider Number 0914514

Dear Mr. Meroe:

We have completed our review of selected medical services rendered to Ohio Medicaid recipients by Cardiacare for the period January 1, 1995 through March 31, 2000. We identified overpayments in the amount of \$121,298.56, which must be repaid to the Ohio Department of Job and Family Services. The attached report details the basis for the overpayment.

Payment arrangements should be made with the Ohio Department of Job and Family Services within 45 days of the date of this report. When making payment, please use the remittance form at the back of this report to ensure proper credit. In accordance with Ohio Revised Code Section 131.02, if payment is not made within 45 days, this matter will be referred to the Ohio Attorney General's Office for collection.

As a matter of policy, a copy of this report is being sent to the Ohio Department of Job and Family Services, the Ohio Attorney General, and the State Medical Board. If you have any questions, please contact Robert I. Lidman, Deputy Chief, Fraud, Waste and Abuse Prevention Division, at (614) 728-7216.

Yours truly,

JIM PETRO  
Auditor of State

September 19, 2000



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### **ABBREVIATIONS**

AMA	American Medical Association
CPT	Physicians' Current Procedural Terminology
FWAP	Fraud, Waste and Abuse Prevention (Division of)
OAC	Ohio Administrative Code
ODJFS	Ohio Department of Job and Family Services
ORC	Ohio Revised Code
MMIS	Medicaid Management Information System

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## ***SUMMARY OF RESULTS***

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The Auditor of State performed a review of Cardiocare, Provider #0914514, doing business at 118-35 Queens Blvd., Forest Hills, New York 11375.<sup>1</sup> During this review, findings in the amount of \$121,298.56 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by Cardiocare, for services that were improperly billed and reimbursed under the Ohio Medicaid Handbook, and 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 \$121,298.56.

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## ***BACKGROUND***

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In the State of Ohio, the Ohio Department of Job and Family Services (ODJFS) is delegated the responsibility of administering the Medicaid Program. Within federal guidelines, ODJFS establishes reimbursement policy, service rules and regulations, arranges with Providers to render their services to patients, and pays Provider claims.

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

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The Auditor of State has identified billings for multiple units of services for the same patient as an area where some providers could be over billing. A computer analysis of this issue resulted in the selection of providers for audit.

The purpose of our review was to determine whether this Provider's claims for reimbursement of cardiography services billed with multiple units of service were made in compliance with regulations and to calculate an overpayment amount in the event of any noncompliance. Our review was limited to include only selected services billed with multiple units of service, which the Provider rendered to Medicaid recipients during the period January 1, 1995 through March 31, 2000.

To determine whether a noncompliance occurred, we reviewed paid claim information<sup>2</sup> residing in ODJFS' Medicaid Management Information System (MMIS) for instances where a provider billed and was paid for more than one unit of service when data and/or the definition of the code billed indicated only one unit or service could have been performed. In such instances, an overpayment would be made on the difference between the amount reimbursed the provider and the established maximum fee allowed for one unit of service.

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<sup>1</sup>Cardiocare is a subsidiary of Raytel Cardiac Services, 7 Waterside Crossing, Windsor, CT 06095-1548.

<sup>2</sup>The computerized paid claims data included provider number, recipient name, recipient number, procedure codes, warrant number, date of service, amount billed and paid, and overpayment amount.

We utilized ODJFS' Medicaid Provider Handbook and the Ohio Administrative Code (OAC) as guidance in determining the applicable regulations and applicable reimbursement rates.

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

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## ***FINDINGS***

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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. . .

We reviewed four cardiology CPT codes (93012, 93014, 93268, 93271) billed by the Provider. This review showed 311 paid claims where the Provider billed 30 units of service for one cardiology code. In one example, the Provider billed 30 units of service for performing CPT code 93268; *Patient demand single or multiple event recording with presymptom memory loop, per 30 day period of time; includes transmission, physician review and interpretation*, for the same patient over a 30-day period. For this procedure code, one unit of service represents an entire 30-day period. Therefore, the Provider was overpaid because only one unit of service should have been billed for each 30-day period that the service was performed

The amount of the overpayment received by the Provider resulted from how ODJFS calculates the Medicaid maximum fee. For the example of CPT code 93268, the maximum reimbursable fee was calculated by multiplying the number of units billed (30 in this case) by the established maximum fee allowed for the service (\$108.87)<sup>3</sup>. The Provider then received the lesser of the billed charge (\$595), or the calculated Medicaid maximum (\$108.87 x 30 = \$3,266.10). In this instance, however, the Provider should have only billed and been reimbursed for one unit of service (\$108.87). Therefore, an overpayment occurred for the difference between what was paid to the Provider and the established maximum fee for one unit (\$595 - \$108.87 = \$486.13 in this example).

Using the logic in the above example, we calculated the amount overpaid for each of the 311 instances in which the Provider billed and was paid for multiple units of service in lieu of the established maximum fee for one unit. The resulting overpayment was \$121,298.56

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## ***CONCLUSION***

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Our review identified 311 instances in which the Provider erroneously billed and was paid for multiple units of service when only one unit of service was delivered.

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<sup>3</sup> Maximum fees are periodically revised. This was the maximum fee for this code from January 1, 1997 through December 31, 1999.



A draft of this report was mailed to the Provider on June 7, 2000, to afford the Provider an opportunity to provide additional documentation or otherwise respond in writing. The Provider disagreed with our findings in responses dated June 21, 2000 and August 11, 2000. The Provider's position was that each day of service constitutes one unit of reimbursable service, and the Provider billed in this fashion in accordance with oral advice received from Ohio Medicaid.

Based on the above, we asked ODJFS' Office of Medicaid to review our interpretation of the billing procedures and the Provider's written response. The head of the Medicaid Policy Department concurred with our interpretation, i.e. that one unit of service represents a 30-day period of service, not one day of service. A copy of the Office's determination was faxed to the Provider on August 28, 2000.

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 \$121,298.56.

The Provider is aware that if restitution is not made to ODJFS within 45 days after the release of this audit, the overpayments will be referred to the Ohio Attorney General for collection.

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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 Job and Family Services  
Post Office Box 182367  
Columbus, Ohio 43218-2367

**Provider:** Cardiocare  
118-35 Queens Blvd.  
Forest Hills, New York

**Provider Number:** 0914514

**Review Period:** January 1, 1995 through March 31, 2000

**AOS Finding Amount:** \$121,298.56

**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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**CARDIOCARE  
OUT OF STATE (N.Y.)**

**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  
SEPTEMBER 19, 2000**