STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program
Practitioner Services: Units of Service Project

Review of Medicaid Provider Reimbursements made to Nephrology Services Medical Group of Ohio

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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Nephrology Services Medical Group of Ohio
Attn: Suzee Shuler, Office Manager
44 Hillwyck Drive
Toledo, Ohio 43615

Re: Medicaid Review of Provider Number 0470600

Dear Ms. Shuler:

We have completed our review of selected medical services rendered to Medicaid recipients by Nephrology Services Medical Group of Ohio for the period January 1, 1995 through June 30, 1999. We identified overpayments in the amount of $165,903.25. The attached report details the basis for the overpayment.

Following your review of a draft copy of this report, you acknowledged that a billing error had occurred and agreed to make full restitution after our report was finalized. A "provider remittance form" is located at the back of this report for remitting payment. Please include your Provider number (0470600) on the check to ensure your payment is properly credited. Please also be advised that in accordance with Section 131.02 of the Ohio Revised Code, if payment is not made to the Ohio Department of Human Services within 45 days of the date of this report, the overpayment will be referred to the Ohio Attorney General's office for collection.

Your prompt response and cooperation to repay the overpayment is greatly appreciated. As a matter of policy, a copy of this report is being sent to the Ohio Department of Human 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

June 29, 2000

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<u>ABBREVIATIONS</u>

CPT	Physicians' Current Procedural Terminology
FWAP	Fraud, Waste and Abuse Prevention Division
OAC	Ohio Administrative Code
ODHS	Ohio Department of Human Services
ORC	Ohio Revised Code
MMIS	Medicaid Management Information System

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SUMMARY OF RESULTS

The Auditor of State performed a review of Nephrology Services Medical Group of Ohio, Provider #0470600, doing business at 44 Hillwyck Drive, Toledo, Ohio 43615. During this review, findings in the amount of $165,903.25 were identified for recovery. The cited funds are recoverable as they resulted from Medicaid claims submitted by Nephrology Services Medical Group of Ohio 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 $165,903.25.

BACKGROUND

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

PURPOSE, SCOPE AND METHODOLOGY

The purpose of this review was to determine whether the Provider's claims for reimbursement of medical 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 included only selected services which the Provider rendered to Medicaid recipients during the period January 1, 1995 through June 30, 1999.

To determine whether a noncompliance occurred, we reviewed paid claim information[1] residing in ODHS' 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.

We utilized ODHS' 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 generally accepted government auditing standards.

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[1]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.

FINDINGS	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.

A review of 384 of the Provider's paid claims indicated the Provider billed one code, CPT code 90921; *End stage renal disease (ERSD) related services per full month; for patients twenty years of age and over,* ten or more times for the same patient on the same date. According to the American Medical Association CPT code definition stated above, this code should have been billed as one unit of service for each 30-day period in which dialysis services were rendered.

The Provider received an overpayment as a result of how the Medicaid maximum fee is calculated. The maximum fee for CPT code 90921 is calculated by multiplying the number of units billed (30 or greater in this case) by the established maximum fee allowed for the service ($141.26)[2]. The provider then receives the billed charge ($600), or the maximum, whichever is less. In this instance, however, the Provider should have only billed and been reimbursed for one unit, which is for a full month or 30 day period of dialysis services. Therefore, an overpayment of ($458.74) occurred for the difference between what was paid to the provider ($600) and the established fee for one unit ($141.26).

A finding for recovery is made for $165,903.25 for 384 instances in which the Provider billed and was paid for 30 or more units of service in lieu of the established maximum fee for one unit.

CONCLUSION	Based on the review, findings for recovery are in the amount of $165,903.25. A draft of this report was mailed to the provider on June 7, 2000, to afford the Provider any opportunity to provide additional documentation or otherwise respond in writing. The

Provider's response, dated June 19, 2000, stated that a computer error caused the overpayment. The Provider added that the error had been corrected and that full restitution would be made after our report was finalized. The Provider is aware that if restitution is not made to ODHS within 45 days after the audit report is released, the overpayments will be referred to the Ohio Attorney General for Collection.

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[2]*The maximum fee for this procedure for January 1, 1997 through December 31, 1999.*

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:	Nephrology Services Medical Group of Ohio
	44 Hillwyck Drive
	Toledo, Ohio 43615
Provider Number:	0470600
Review Period:	January 1, 1995 through June 30, 1999
AOS Finding Amount:	$165,903.25
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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