



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 Redi Van Inc.*

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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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Jagdish U. Patel, Administrator  
Redi Van Inc.  
1605 Holland Road, Suite A-1  
Maumee, Ohio 43537

RE: Provider # 0272137

Dear Mr. Patel:

We have completed our audit of selected medical services rendered to Medicaid recipients by Redi Van, Inc. for the period January 1, 1996 through June 30, 2000. We identified findings in the amount of \$109,831.08, which must be repaid to the Ohio Department of Job and Family Services. The attached report details the basis for the findings.

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.

If you have any questions, please contact Johnnie L. Butts, Jr., Chief of the Fraud, Waste and Abuse Prevention Division at (614) 466-3212.

Yours truly,

JIM PETRO  
Auditor of State

June 21, 2001



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### ABBREVIATIONS

CRIS-E	Client Registration Information System-Enhanced
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 Redi Van Inc., Provider # 0272137, doing business at 1605 Holland Road, Suite A1, Maumee, Ohio 43537. Findings amounting to \$109,831.08 were identified. The findings resulted from Medicaid claims submitted by Redi Van Inc. that did not meet reimbursement rules under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code (OAC).

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## ***BACKGROUND***

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In accordance with Section 117.10 of the Ohio Revised Code, the Auditor of State, working in cooperation with the Ohio Department of Job and Family Services (ODJFS), performs reviews 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, 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 part of the Ohio Medicaid Provider Handbook.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and OAC Section 5101:3-1-172 (E), 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.”

In addition, rule 5101:3-1-29 (C) of the OAC states: “In all instances of fraud and abuse, any amount in excess of that legitimately due to the provider will be recouped by the department through its surveillance and utilization review section, the state auditor, or the office of the attorney general.

“Abuse” is defined in rule 5101:3-1-29 (B) as “...those provider practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and result in an unnecessary cost to the medicaid program..”

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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 November 13, 2000 with Jagdish Patel, Administrator.

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 to June 30, 2000. To facilitate an accurate and timely review of paid claims, a stratified statistical random sample of 160 transaction control numbers (TCN’s), which is the identifier for a transportation service bill for one recipient, was taken. The 160 TCN’s represented 1,583 different transportation services, which typically includes each one-way transport and mileage. We examined the amounts reimbursed by ODJFS and conducted an on-site review of

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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.



transportation records. For the January 1, 1996 through June 30, 2000 review period, the Provider was reimbursed \$420,678.83 for 32,539 Medicaid ambulette services, including \$21,382.89 for the 1,583 services in our sample. Table 1 summarizes the transportation services included in our sample.

**Table 1: Transportation Services Billed by and Reimbursed to Redi Van, Inc. for 160 TCN's Reviewed  
Audit Period January 1, 1996 to June 30, 2000**

Procedural Definition	Procedure Code	Number of Services	Amount of Reimbursement
Non-emergency ambulette transport	A0130	799	\$18,258.05
Non-emergency ambulette, loaded mileage, one-way	Z0160	784	\$3,124.84
<b>TOTALS</b>	-----	<b>1583</b>	<b>\$21,382.89</b>

Source: Paid claims contained in ODJFS' Medicaid Management Information System

The review involved comparing 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 generally accepted government auditing standards. Detailed below are the results of this review.

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## ***FINDINGS***

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We identified overpayments in four areas: No Documentation, Invalid or Missing Physician Certifications, Physician Certifications Signed After The Date of Service, and Medicaid Services that were billed before obtaining the Physician Certification. A discussion of these areas, including the number of instances found, the basis for the overpayment, and the amount overpaid 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.

The review of our statistical random sample of 160 TCN's identified 16 TCN's 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.

### **Invalid or Missing Physician Certifications**

Pursuant to OAC Sections 5101:3-1-172 (E) and 5101:3-15-02, 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 (ODHS 3452) 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 to transport the patient and must be maintained as a record by the transportation provider.

During our review of patient records for 160 randomly selected TCN's, we found 12 TCN's in which the physician certification presented was unsigned, or no certification was received. Therefore, we were unable to verify that services were medically necessary.

## **Physician Certifications Signed After Date of Payment**

The Transportation Manual, Section AMB.1101 states, “a physician must certify on the ODHS 3452 Physician Certification Form all ambulance and ambulette/wheelchair vehicle transportation services to be medically necessary.”

Also, 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.

We reviewed all certifications which were signed after the date of service to determine if the Provider had this documentation before receiving payment. In our review of 160 TCNs, we found 47 TCNs where the physician had dated the certifications after the date of service, and the dates signed were after the dates of payment. In nearly every instance, the date signed by the physician was after the date we contacted the Provider to initiate our review. Therefore, an overpayment occurred for all transportation services where the physician certification was signed after the date of payment for the transport.

## **Physician Certifications Signed After Billing Date**

According to the Ohio Medicaid Transportation Handbook, Section AMB 1008.3,

The ODHS 3452 Practitioner Certification Form is required to certify that ambulance and ambulette services are medically necessary. The completed ODHS 3452 Practitioner Certification Form must be signed and dated no more than one hundred eighty days after the date of the transport. The completed, signed and dated ODHS 3452 Practitioner Certification Form must be obtained by the transportation provider before billing the department for the transport. The date of the signature entered on the ODHS 3452 Practitioner Certification Form must be the date that the ODHS 3452 Practitioner Certification Form was actually signed and must be prior to the date of the claim submission.

This rule went into effect as of March 1, 2000. Therefore, we reviewed all the sampled TCNs which contained dates of service after March 1, 2000 to determine if the physician certification was received before the claim was submitted to ODJFS. Of the 160 TCNs reviewed in the sample, 9 TCNs had dates of service after March 1, 2000. We found 3 TCNs where the claim was billed and paid before the end of our audit period (June 30, 2000) and the Physician Certification was dated after the end of the audit period. These claims should not have been billed until the Physician Certification was obtained.

## Total Overpayment Projection

We projected the overall combined error rate across the total population of transportation services. This resulted in a recoverable overpayment of \$109,831.08.

## Other Matters -- Insufficient Medical Information

The Transportation Manual, Section AMB. 1101., states..”a physician must certify on the ODJFS 3452 Physician Certification Form all ambulance and ambulette/wheelchair vehicle transportation services be medically necessary. The physician must state the medical problem which contraindicate transportation by any other means on the date of transport.”

Our review noted one other area of deficiency within the transportation records. Out of the 160 randomly selected TCN’s, we found 67 TCN’s in our sample that lacked information necessary to completely meet the compliance criteria for determining medical necessity. In particular, the physician’s certification form should include whether the patient was non-ambulatory at the time of transport and (1) needed assistance, (2) needed wheelchair assistance, (3) was bed confined before and after trip, (4) confined to bed 18 or more hours per day, (5) needed to be restrained (6) needed medical supervision en route, or (7) other. Although we did not calculate overpayments for this deficiency, our recommendation is intended to prevent future instances of non-compliance and lessen the risk of overpayments. This deficiency was brought to the Provider’s attention during our review.

**Recommendation:** The Provider should implement controls to ensure that 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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### ***PROVIDER’S RESPONSE***

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A draft of this report was mailed to the Provider on April 12, 2001, to afford the Provider an opportunity to provide additional documentation or otherwise respond in writing. On May 30, 2001, we conducted an Exit

Conference via telephone with Jagdish U. Patel, Administrator. Mr. Patel had concerns about the manner and timeliness of obtaining physician certifications. He stated that it is very difficult to have the physicians return the certifications timely. Mr. Patel also had concerns about the overpayment amount. We informed him the overpayment, if not paid in 45 days, would be referred to the Attorney General’s office. Mr. Patel stated he understood the report and our findings and would wait for the final report to be issued before addressing repayment.

**APPENDIX I**

**Table 1: Summary of Record Analysis of Redi Van, Inc.  
For the period January 1, 1996 to June 30, 2000**

<b>Description</b>	<b>Audit Period January 1, 1996- June 30, 2000</b>
<b>Total Medicaid Transportation Services Paid During Audit Period</b>	<b>\$420,678.83</b>
<b>Number of Transportation Services</b>	<b>32,539</b>
<b>Type of Examination</b>	<b>Stratified Statistical Random Sample of 160 TCNs</b>
<b>Number of Transportation Services Included in Sample</b>	<b>1,583</b>
<b>Amount Paid for Sampled Services</b>	<b>\$21,382.89</b>
<b>Projected Overpayment From Statistical Sample</b>	<b>\$109,831.08</b>
<b>Upper Limit at 95% Confidence Level</b>	<b>\$135,419.87</b>
<b>Lower Limit at 95% Confidence Level</b>	<b>\$84,242.29</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:	<u>Redi Van Inc.</u> <u>1605 Holland Road Suite A1</u> <u>Maumee, Ohio 43537</u>
Provider Number:	<u>0272137</u>
Review Period:	<u>January 1, 1996 through June 30, 2000</u>
AOS Finding Amount:	<u>\$109,831.08</u>
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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JIM PETRO, AUDITOR OF STATE

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P.O. Box 1140  
Columbus, Ohio 43216-1140  
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Facsimile 614-466-4490

**REDI VAN , INC.**

**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  
JUNE 21, 2001**