



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  
Columbus Medical Equipment, Inc.*

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*A Compliance Review by the:*

**Fraud, Waste and Abuse  
Prevention Division**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Mr. Carl Mulberry, General Manager  
Columbus Medical Equipment Inc.  
306 E. Fifth Ave.  
Columbus, OH 43201

Re: Medicaid Review of Provider Number #0860313

Dear Mr. Mulberry:

We have completed our review of selected medical services rendered to Medicaid recipients by Columbus Medical Equipment for the period April 1, 1997 through March 31, 2001. We identified findings in the amount of \$8,118.34, 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. The attached report details the basis for the findings.

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

April 11, 2002

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## **ABBREVIATIONS**

AOS	Auditor of State
CMS	Center for Medicare and Medicaid Services
CPT	Current Procedural Terminology
DME	Durable Medical Equipment
HCBS	Home and Community Based Services
HCFA	Health Care Financing Administration
HCPCS	Common Procedural Coding System
MMIS	Medicaid Management Information System
OAC	Ohio Administrative Code
ODJFS	Ohio Department of Job and Family Services
OHP	Ohio Health Plans

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## **SUMMARY OF RESULTS**

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The Auditor of State performed a review of Columbus Medical Equipment, Provider #0860313, doing business at 306 E. Fifth Ave., Columbus, OH 43201. We identified findings in the amount of \$8,118.34. The cited funds are recoverable as they resulted from Medicaid claims submitted by Columbus Medical Equipment for services that did not meet reimbursement rules under the Ohio Medicaid Durable Medical Equipment Manual and the Ohio Administrative Code (OAC).

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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, 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.

According to Section 5101:3-1-01 of the Ohio Administrative Code, "Medical necessity is the fundamental concept underlying the medicaid program. Physicians, dentists and limited practitioners render or authorize medical services within the scope of their licensure and based on their professional judgment of those services needed by an individual. Unless a more specific definition for a category of services is included within 5101:3 of the Administrative Code, 'Medically necessary services' are services which are necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged increased or new morbidity, impairment of function, dysfunction or a body organ or part of significant pain and discomfort."

Section 5101:3-10-21 of the Ohio Administrative Code states that, "A prescription that is written, signed and dated by the treating physician must be obtained at least every twelve months. The prescription must be obtained by the provider prior to the first date of service in the applicable twelve-month period and must specify: (1) The applicable diagnosis of the specific disease or injury causing the incontinence; or (2) developmental delay or disability, including applicable diagnoses; and (3) type of incontinence."

Section 5101:3-1-172 (D) of the Ohio Administrative Code states that, "Accept the allowable reimbursement for all covered services as payment-in-full and, except as required in paragraph (C) of this rule, will not seek reimbursement for that service from the patient, any member of the family, or any other person."

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and 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 incontinence services were in compliance with regulations and to calculate the amount of any overpayment resulting from non-compliance.

We informed the Provider by letter that it had been selected for a compliance review. An Entrance Conference was held on December 10, 2001 with Carl Mulberry, General Manager, Columbus Medical Equipment.

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 of more of the following five digit coding systems:

- Current Procedural Terminology (CPT)
- Center for Medicare and Medicaid Services (CMS) Common Procedural Coding System (HCPCS), and
- ODJFS local level codes.

The scope of our review was limited to claims involving incontinence supplies for which the Provider was paid by Medicaid during the period April 1, 1997 through March 31, 2001. During our audit period, the Provider was reimbursed \$1,675,859.59 for 11,800 claims relating to incontinence supply services<sup>1</sup>. In performing our review, we analyzed MMIS paid claims data for the Provider during the audit period. We also selected a statistically random sample of 120 claims reimbursed by Medicaid for 277 incontinence services and performed an on-site review of the Provider’s records used to support these claims.

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

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## ***RESULTS***

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We identified findings in three areas: Excess Reimbursements, Invalid Prescriptions and Deceased

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<sup>1</sup>Specifically, services billed and reimbursed under procedure codes Y9131, Y9132, Y9133, Y9136, Y9138, Y9139, Y9140 and A4554.



Recipients. The total findings for these categories amounted to \$8,118.34. A discussion of these deficiencies, the number of instances found, and the amount overpaid follows.

## **Excess Reimbursements**

The Ohio Administrative Code, Section 5101:3-1-172 states

A “Provider Agreement is a contract between the Ohio department of job and family services and a provider of medical ASSISTANCE services in which the provider agrees to comply with the terms of the “Provider Agreement”, state statutes and ODJFS Administrative Code rules, and federal statutes and rules, and agrees to:

(D) Accept the allowable reimbursement for all covered services as payment-in-full and, except as required in paragraph (C) of this rule, will not seek reimbursement for that service from the patient, any member of the family, or any other person.<sup>2</sup>

The Ohio Medicaid Provider’s Handbook limits reimbursement for services billed under procedure code Y9139 (miscellaneous incontinence supplies) to \$10.00 per month. Our review of the Provider’s reimbursements identified 6,803 of 8,978 services billed under procedure code Y9139 that exceeded the maximum allowed reimbursement. This occurred because the Provider billed and was reimbursed for sales tax in addition to the \$10 maximum allowance, which is not allowed under OAC 5101:3-1-172(D). The total finding for reimbursements exceeding the maximum allowance was \$3,936.54. (See Appendix I).

## **Invalid Prescriptions**

Section 5101:3-10-21 of the Ohio Administrative Code states that, “A prescription that is written, signed and dated by the treating physician must be obtained at least every twelve months. The prescription must be obtained by the provider prior to the first date of service in the applicable twelve-month period and must specify: (1) The applicable diagnosis of the specific disease or injury causing the incontinence; or (2) developmental delay or disability, including applicable diagnoses; and (3) type of incontinence.”

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and 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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<sup>2</sup> OAC 5101:3-1-172(C) states that providers agree to “ascertain and recoup any third-party resource(s) available to the recipient prior to billing the Ohio department of job and family services.”

During our review of 120 sample claims, we found 13 claims, involving 12 recipients, for which prescriptions were missing in patient records. After we questioned these claims, the Provider submitted additional supporting documentation; however, prescriptions remained invalid for for 2 of the 13 claims, involving 2 recipients. The invalid prescriptions resulted in a projected overpayment of \$4,170.80. (See Appendix I.)

## **Deceased Recipient**

Pursuant to the Ohio Administrative Code, Section 5101:3-198, overpayments, duplicate payments or payments for services not rendered are recoverable by the department at the time of discovery.

Our review of recipient records revealed that the Provider received reimbursement for services provided after the date of death of one recipient. The overpayment was \$11.00 as noted in Appendix I.

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### ***PROVIDER'S RESPONSE***

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To afford an opportunity to respond to our findings, we sent a draft copy of the report to the Provider on March 8, 2002. After further discussion with the Provider to clarify the basis for our findings and after receiving additional supporting documentation from the Provider, we adjusted our findings accordingly.

**APPENDIX I**

**Table 1: Summary of Record Analysis of Columbus Medical Equipment, Inc. For the Period April 1, 1997 to March 31, 2001**

Description	Audit Period April 1, 1997 - March 31, 2001
Type of Examination	Statistical Random Sample of 120 Claims
Amount Paid for Services Sampled	\$17,584.68
Total Number of Claims with Incontinence Supplies in Audit Period	11,800
Total Number of Incontinence Supply Services in Audit Period	23,049
Total Medicaid Amount Paid During Audit Period for Incontinence Supplies	\$1,675,859.59
Total Medicaid Amount Paid During Audit Period for Incontinence Supplies after Adjustment for Procedure Code Y9139 Overpayment	\$1,671,923.05
Projected Correct Population Payment for Incontinence Supplies	\$1,667,752.25
Upper Limit Projected Correct Population payment at 95% Confidence Level	\$1,671,883.11
Lower Limit Projected Correct Population payment at 95% Confidence Level	\$1,660,965.70
Projected Overpayment for Incontinence Services (Total Paid minus Projected Correct)	\$4,170.80
<b>Summary of Findings</b>	
Projected Incontinence Service Finding	\$4,170.80
Finding for Procedure Code Y9139	\$3,936.54
Finding for Services Billed for a Deceased Recipient	\$11.00
<b>Total Findings</b>	<b>\$8,118.34</b>

Source: AOS, FWAP review of Medicaid reimbursements to Columbus Medical Equipment for Procedure Codes Y9131, Y9132, Y9133, Y9136, Y9138, Y9139, Y9140 and A4554 during the period April 1, 1997 through March 31, 2001.

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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: Columbus Medical Equipment, Inc.  
306 E. Fifth Ave.  
Columbus, OH 43201

Provider Number: 0860313

Review Period: April 1, 1997 through March 31, 2001

AOS Finding Amount: \$8,118.34

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

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
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**COLUMBUS MEDICAL EQUIPMENT, INC.**

**FRANKLIN 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  
APRIL 11, 2002**