



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

*Review of Medicaid Provider Reimbursements Made to
Med Star EMS & Transport Inc.*

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

Joseph Robinson, President
Med Star EMS & Transport Inc.
1600 Youngstown Road SE
Warren, OH 44484

Re: Medicaid Review of Provider Number #0542514

Dear Mr. Robinson:

We have completed our review of selected medical services rendered to Medicaid recipients by Med Star EMS & Transport Inc for the period January 1, 1998 through March 31, 2001. We identified overpayments in the amount of \$27,920.65, 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.

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

CMS	Center for Medicare and Medicaid Services (formerly known as HCFA)
CPT	Physician's Current Procedural Terminology
EMT	Emergency Medical Technician
FWAP	Fraud, Waste and Abuse Prevention (Division of)
HCFA	Health Care Financing Administration (now known as CMS)
HCPCS	HCFA (CMS) 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

The Auditor of State performed a review of Med Star EMS & Transport Inc., Provider #0542514, doing business at 1600 Youngstown Road SE, Warren, Ohio 44484. Findings amounting to \$27,920.65 were identified for recovery. The findings are recoverable as they resulted from duplicate Medicaid claims submitted by Med Star EMS & Transport for services that were not rendered.

BACKGROUND

The Auditor of State, working in cooperation with the Ohio Department of Job and Family Services (ODJFS), 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.

ODJFS' Medicaid Provider Handbook, General Information, Section II, Subsection (B), Chapter 3334, (OAC Section 5101:3-1-01), 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, 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"

***PURPOSE SCOPE AND
METHODOLOGY***

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 review of their potential duplicate claims.

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)¹,
- Health Care Financing Administration's² (HCFA) Common Procedural Coding System (HCPCS), and
- ODJFS' local level codes.

During our January 1, 1998 through March 31, 2001 review period, the Provider was reimbursed \$643,408.38 for 9,787 transportation services to 2,512 recipients. We limited the scope of our review to services where it appeared that the Provider was paid more than once for the same service on the same day to the same recipient -- hereafter called duplicate payments. A computer analysis of the Provider's paid claims for the review period identified 2,427 transportation services to 257 recipients that were potentially involved in duplicate payments. The total amount paid for these potentially duplicated services was \$56,438.51.

¹The CPT is published by the American Medical Association (AMA) for the purpose of providing a uniform language to describe medical services.

²The Center for Medicare and Medicaid Services (formerly known as HCFA) has federal oversight of the Medicaid program.

To facilitate an accurate and timely review, we took a stratified statistical random sample of 65 of the 257 recipients with potentially duplicate billed and paid services. These 65 recipients comprised 1,158 potentially duplicate services and accounted for \$23,881.42 of the \$56,438.51 in reimbursements. We then asked the Provider to submit the supporting documentation for these services, which we reviewed to determine whether or not a duplicate claim had occurred. For example, if the documentation supported that more than one service was given in a day, it was not considered a duplicate service.

Work performed on our review was done in accordance with government auditing standards. The results reflect work that was performed from August 2001 through January 2002.

FINDINGS

We identified \$27,920.65 in findings from our review of potentially duplicate payments.

Duplicate Payments

According 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.

Our review of the documentation supplied by the Provider in support of the potentially duplicate payments determined that there was not documentation to support 558 of the 1,158 services in our sample. These unsupported services accounted for \$11,902.26 of the \$23,881.42 in the sample and were determined to be duplicate payments. We projected the error rate for the 558 services across the total population of potential duplicate claims for Med Star EMS & Transport. This resulted in a projected finding of \$27,920.65. Appendix I provides additional details concerning our projected finding.

PROVIDER'S RESPONSE

On February 19, 2002, we received a letter from the Provider stating that they would repay our finding to the Ohio Department of Job and Family Services. On March 12, 2002, we received a copy of the remittance form and check showing that the Provider had made an initial installment payment of \$9,000.00 to the Department.

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APPENDIX I

**Table 1: Summary of Record Analysis of Med Star EMS & Transport, Inc.
For the period January 1, 1998 to March 31, 2001**

Description	Audit Period January 1, 1998 - March 31, 2001
Total Amount Identified as Payments Involving Potentially Duplicate Claims for Transportation Services	\$56,438.51
Type of Examination	Statistical Random Sample of 65 recipients
Number of Transportation Services Sampled	1,158
Amount Paid for Services Sampled	\$23,881.42
Projected Overpayment From Statistical Sample	\$27,920.65
Upper Limit at 95% Confidence Level	\$31,868.71
Lower Limit at 95% Confidence Level	\$23,972.59

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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: Med Star EMS & Transport
PO Box 2156
Warren, OH 44484

Provider Number: 0542514

Review Period: January 1, 1998 through December 31, 2001

AOS Finding Amount: \$27,920.65

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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MED STAR EMS AND TRANSPORT, INC.

TRUMBULL 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**