



Dave Yost • Auditor of State

**THIS PAGE INTENTIONALLY LEFT BLANK**

**PEACE TRANSPORTATION CORPORATION  
FRANKLIN COUNTY**

**TABLE OF CONTENTS**

<b>Title</b>	<b>Page</b>
Independent Accountants' Report .....	1
Peace Transportation Corporation's Compliance Report .....	3

**THIS PAGE INTENTIONALLY LEFT BLANK**



# Dave Yost • Auditor of State

## Independent Accountant's Report

Ahmed Adan, Owner and Chief Executive Officer  
Peace Transportation Corporation  
2804 Johnstown Road  
Columbus, Ohio 43219

Re: *Medicaid Provider Number 2727802*

Dear Mr. Adan:

We examined Peace Transportation Corporation (the Provider) for compliance with Ohio Administrative Code (Ohio Admin. Code) § 5101:3-15 during the period of July 1, 2007 to June 30, 2011. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code. Management is responsible for Peace Transportation Corporation's compliance with those requirements. Our responsibility is to report on the Provider's compliance based on our examination.

Our examination included reviewing, on a test basis, evidence about the Provider's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our conclusions. Our examination does not provide a legal determination on the Provider's compliance with specified requirements.

We examined 405 ambulette services and identified 764 errors relating to non-compliance with those requirements. We found the Provider was overpaid by Ohio Medicaid for ambulette services between July 1, 2007 and June 30, 2011 in the amount of \$97,171.88. This finding plus interest in the amount of \$8,029.33 totaling \$105,201.21 is immediately due and payable to the Office of Medical Assistance (OMA) as of the date this examination report is released.<sup>1</sup> After October 9, 2012, additional interest will accrue at the rate of \$21.30 per day until the finding and interest is paid in full.

When the AOS identifies fraud, waste or abuse by a provider in an examination,<sup>2</sup> any amount in excess of that legitimately due to the provider will be recouped by OMA through its office of fiscal and monitoring services, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5101:3-1-29(B). Therefore, a copy of this report will be forwarded to OMA because it is the state agency charged with administering Ohio's Medicaid program. OMA is responsible for making a final determination regarding recovery of our findings and any accrued interest. If you agree with the findings

---

<sup>1</sup> Effective September 10, 2012. OMA replaced the Ohio Department of Job and Family Services (ODJFS) as the single state agency responsible for supervising the administration of Ohio's Medicaid program pursuant to Ohio Rev. Code § 5111.01.

<sup>2</sup> "Fraud" is an intentional deception, false statement, or misrepresentation made with the knowledge that the deception, false statement, or misrepresentation could result in some unauthorized benefit to oneself or another person. "Waste and abuse" are practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or, medical practices; and that constitute an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program. Ohio Admin. Code § 5101:3-1-29(A).

contained herein, you may expedite repayment by contacting OMA's Office of Legal Services at (614) 752-3631.

Copies of this report are also being sent to the Medicaid Fraud Control Unit of the Ohio Attorney General's Office; the U.S. Department of Health and Human Services/Office of Inspector General; and the Ohio Medical Transportation Board. In addition, copies are available to the public on the Auditor of State website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

Sincerely,

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

October 9, 2012

## Compliance Report for Peace Transportation Corporation

### **Background**

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. Medicaid provides health coverage to families with low incomes, children, pregnant women, and people who are aged, blind, or who have disabilities. In Ohio, the Medicaid program is administered by OMA.

Hospitals, long-term care facilities, managed care organizations, individual practitioners, laboratories, medical equipment suppliers, and others (all called "providers") render medical, dental, laboratory, and other services to Medicaid patients. The rules and regulations that providers must follow are specified in the Ohio Administrative Code and the Ohio Revised Code. The fundamental concept underlying the Medicaid program is medical necessity of services: defined as services which are necessary for the diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. See Ohio Admin. Code § 5101:3-1-01(A).

The Auditor of State performs examinations to assess provider compliance with Medicaid reimbursement rules to ensure that services billed to Ohio Medicaid are properly documented and consistent with professional standards of care, and medical necessity. According to Ohio Admin. Code § 5101:3-1-17.2(D), Medicaid providers must "maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions" for a period of six years or until any audit initiated within the six year period is completed. Providers must furnish such records for audit and review purposes. Ohio Admin. Code § 5101:3-1-17.2(E)

The Provider's Ohio Medicaid provider number is 2727802 and the Provider is a transportation company located in Franklin County, Ohio, that renders ambulette services to Ohio Medicaid recipients. The Provider received reimbursement of \$97,171.88 for 6,894 ambulette services rendered on 1700 recipient dates of service<sup>3</sup> during the examination period.

Some Ohio Medicaid patients confined to a wheelchair may be eligible to receive transportation services provided by an ambulette provider. See Ohio Admin. Code § 5101:3-15-03(B)(2). An ambulette is a vehicle designed to transport wheelchair bound individuals. Qualifying ambulette services must be certified as medically necessary by an attending practitioner<sup>4</sup>, for individuals who are:

1. Non-ambulatory,
2. Wheelchair bound, and
3. Do not require an ambulance.

All medical transportation services must be prescribed by a Certificate of Medical Necessity (CMN) except for ambulance transports to a hospital emergency room and ambulance or ambulette transfers of individuals, who are non ambulatory, from one hospital to another for services not available at the first hospital. See Ohio Admin. Code § 5101:3-15-02(E)(4).

---

<sup>3</sup> A recipient date of service is defined as all services for a given patient on a specific date of service.

<sup>4</sup> "Attending practitioner" is defined as the practitioner (*i.e.*, primary care practitioner or specialist) who provides care and treatment to the patient on an ongoing basis and who can certify the medical necessity for the transport. An attending practitioner can be a doctor of medicine, a doctor of osteopathy, a doctor of podiatric medicine, or an advanced practice nurse. Ohio Admin. Code § 5101:3-15-01(A)(6).

Ambulette providers must maintain records describing the transportation services including:

- The time of scheduled pick up and drop off, attendant name, patient name and Medicaid number, driver name, vehicle identification, name and address of the Medicaid covered service provider at the Medicaid covered point of transport, pick-up and drop-off times, the type of transport provided, and mileage;
- the original CMN; and
- Current certification or licensure for the driver and attendants.

See Ohio Admin. Code § 5101:3-15-02(E)(2)

### **Purpose, Scope, and Methodology**

The purpose of this examination was to examine Medicaid reimbursements made to the Provider for services rendered during July 1, 2007 through June 30, 2011 and determine whether the Provider's Medicaid claims for reimbursement complied with Ohio Medicaid regulations. At the conclusion of the examination, we will identify, if appropriate, any findings resulting from non-compliance.

The scope of the engagement was limited to an examination of ambulette services for which the Provider rendered services to Medicaid patients and received payment during the period of July 1, 2007 to June 30, 2011.

We received the Provider's paid claims history from OMA' Medicaid Management Information System (MMIS) database of services billed to and paid by Ohio's Medicaid program. We selected a statistical random sample to facilitate a timely and efficient examination of the Provider's ambulette services as permitted by Ohio Admin. Code § 5101:3-1-27(B)(1). We also examined a haphazard sample of employee files for those that were employed as drivers during the review period, to ensure that the certification requirements were met prior to rendering services.

An engagement letter was sent to the Provider on June 24, 2012, setting forth the purpose and scope of the examination. Our fieldwork was performed in June 2012. After conducting our initial review of records on-site, we submitted a compiled list of missing records to the Provider. We performed further fieldwork on July 9, 2012 to review additional records located by the Provider. The Provider confirmed in writing on July 11, 2012 that all available documentation had been made available for our examination.

### **Results**

We reviewed 405 ambulette transportation services and identified 764 errors. The sample included 202 paid claims for the transportation services and 203 paid claims for mileage. Our review found that the Provider had not obtained any CMNs to support the medical necessity for any ambulette transports during the review period. In addition to the lack of CMNs, drivers lacked proper certifications, and trip documentation failed to show that a service was properly billed and covered by Medicaid. The lack of driver certifications and inadequate trip documentation by themselves would have resulted in the denial of the reimbursement for certain services, had they not already been denied for lack of a qualified CMN. Although a 100 percent finding was made for lack of CMNs, we also note these other deficiencies in detail below.

#### **A. Certificate of Medical Necessity**

A statistical sample of 405 ambulette services was selected and examined to ensure that there was substantive documentation to support the service rendered. All transportation providers

are required by Ohio Admin. Code § 5101:3-15-02(E)(2) to obtain a CMN that has been signed by an attending practitioner that documents the medical necessity of the transport. Ambulette providers must obtain the completed, signed and dated CMN prior to billing the transport. See Ohio Admin. Code §5101:3-15-02(E)(4)(d)

The Provider responded to an official survey from OMA' Surveillance and Utilization Review Section (SURS) in February 2012 that they were aware of the requirement to have CMNs in order for ambulette services to be covered by Medicaid and stated they had been aware of this requirement since the date of their application for a Medicaid provider number. However we found no CMNs to support any of the services in our statistical sample. We questioned the Provider about the lack of CMNs and obtained verbal statements that no CMNs had been obtained during the review period to support any of the ambulette services billed by the Provider. The Provider indicated it was their practice to verify each recipient's Medicaid eligibility and that it was their understanding that this was sufficient to bill for transportation services. We consequently disallowed the reimbursement for all ambulette services paid during the review period and identified a finding of \$97,171.88.

## **B. Trip Documentation**

Trip documentation should describe the transport from the time of pick-up, time of drop-off, mileage, addresses to and from destination points and the driver's name for each trip. This requirement is necessary to calculate the correct payment prior to billing Ohio Medicaid. See Ohio Admin. Code § 5101:3-15-02(E)(2)(a).

The examination found the following non-compliance issues with the Provider's trip documentation:

- 213 services with either no service documentation or the documentation did not reflect transport to a Medicaid covered service;
- 104 services where the documentation was incomplete – missing pick up and drop off times, mileage, identification of driver and complete addresses;
- 40 services in which the mileage billed was not supported by the documentation; and
- 2 transports in which documentation indicated that the appointment was cancelled but the required documentation needed to bill for the transport was not obtained.<sup>5</sup>

Some of the services reviewed had more than one documentation error. We did not, however, take findings for improper documentation since the reimbursement for these services had already been disallowed because of a lack of CMNs. We recommend that the Provider develop and implement new policies and procedures to ensure that all service documentation fully complies with requirements contained in Ohio Admin. Code § 5101:3-15-02. In addition, the Provider should implement a quality review process to ensure that documentation is complete prior to submitting claims for reimbursement.

---

<sup>5</sup> The medical transportation provider must obtain written documentation from the Medicaid covered service provider before billing the department for transport. The documentation must include:(a) A business name, address, and phone number of the Medicaid covered service provider, (b) The date and time of the cancelled or unavailable service, (c) A description of the reason(s) for the cancellation or unavailability of the service, (d) A statement indicating that the Medicaid covered service provider was unable to notify the Medicaid transportation provider or the individual of the cancellation or unavailability of the service prior to the arrival at the destination, and (e) The printed name and signature of the business/office manager or nurse. See Ohio Admin. Code 5101:3-15-03 (L)(3)

### **C. Driver Qualifications**

All ambulette drivers must pass a criminal background check and have a signed medical statement from a licensed physician declaring the individual does not have a medical, physical or mental condition or impairment which could jeopardize the health or welfare of patients being transported. Also, each driver must undergo testing for alcohol and controlled substances by a certified laboratory and be determined to be drug free. Background checks, medical statements, and drug test results must be completed and documented before the driver begins providing ambulette services or within 60 days thereafter. Prior to employment, each driver must obtain first aid and Cardiopulmonary Resuscitation (CPR) certification (or have an Emergency Medical Technician certification), provide a copy of his/her driving record from the Bureau of Motor Vehicles (BMV), and complete passenger assistance training. In addition, each driver must provide copy of BMV driving record on annual basis. See Ohio Admin. Code § 5101:3-15-02(C)(3).

We haphazardly selected eight drivers from the Provider's personnel files and reviewed the files for documentation regarding driver qualifications. Based on our on-site review of the Provider's personnel records, seven of the eight drivers were not in compliance with the required elements of the driver qualifications. Specific noncompliance issues identified include:

- 1 driver had no BMV check prior to employment and 4 drivers had no annual BMV reviews;
- 5 drivers had no passenger training documented;
- 1 driver had no drug/alcohol testing documented; and
- 2 drivers had no physician statements in the files.

The services provided by these uncertified drivers were ineligible for reimbursement. However, because these services had already been denied for lack of CMNs, we did not take additional findings in our examination. However; we recommend that the Provider put in place a system to ensure that all drivers complete required documentation prior to employment. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

### **Provider Response**

A draft report along with a detailed list of services for which we took findings was mailed to the Provider on October 26 2012, and the Provider was afforded an opportunity to respond to this examination report.

In responding to the report, the Provider noted that it did not have a clear understanding of the rule stating that medical transportation services must be prescribed in a CMN. The agency acknowledged that it failed to obtain signed and dated CMNs prior to transporting clients and billing for such transports. The Provider also noted that it did not clearly understand the OMA survey question in which it had indicated that it was aware of the CMN requirement. The Provider indicated that as a result of the AOS's examination, it now has a clear understanding of the CMN requirement. The Provider indicated that it plans is to employ a Quality Assurance Coordinator, who will be responsible for assuring that a CMN is obtained prior to providing transportation and billing for the service. The Provider stated that the Quality Assurance Coordinator will also be responsible for developing and implementing a system to ensure that all drivers comply with all driver qualification requirements. Lastly, the Provider reported that it is developing and will implement new policies to ensure that all service documentation fully complies with requirements.

AOS response: We recommend that Peace Transportation attend training through OMA to increase its awareness and understanding of all rules and regulations regarding ambulette services within the Ohio Medicaid program.

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**PEACE TRANSPORTATION CORPORATION**

**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  
NOVEMBER 29, 2012**