



Dave Yost • Auditor of State

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**PRASAD POTARAJU, M.D.  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## Independent Accountant's Report

Prasad Potaraju, M.D.  
5858 Myrick Road  
Dublin, Ohio 43016

RE: Medicaid Provider Numbers 2166374 and 2865163

Dear Dr. Potaraju:

We examined Prasad Potaraju, M.D. (the Provider) for compliance with Ohio Administrative Code (Ohio Admin. Code) §§ 5101:3-4-06 and 5101:3-3-19 during the period of January 1, 2009 to December 31, 2010. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code. Dr. Potaraju is responsible for his 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 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 93 psychiatric services and identified 19 errors relating to non-compliance with those requirements. We found the Provider was overpaid by Ohio Medicaid for services rendered between January 1, 2009 and December 31, 2010 in the amount of \$5,492.00. This finding plus interest in the amount of \$427.32 totaling \$5,919.32, is immediately due and payable to the Office of Medical Assistance (OMA) as of the date of this examination report is released.<sup>1</sup> After November 19, 2012, additional interest will accrue at the rate of \$1.20 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 payment 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 contained herein, you may expedite repayment by contacting OMA's Office of Legal Services at (614) 752-3631.

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<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).

Prasad Potaraju, M.D.  
Independent Accountant's Report on  
Medicaid Provider Compliance  
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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 State Medical Board of Ohio. 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, flowing style with a large loop at the end of the last name.

**Dave Yost**  
Auditor of State

November 19, 2012

## **Compliance Report for Prasad Potaraju, M.D.**

### **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 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 2166374 and he is a doctor of medicine located in Franklin County, Ohio. During the review period, Dr. Potaraju provided psychiatric services to Ohio Medicaid recipients residing in nursing facilities in ten counties. Ohio Medicaid reimbursed 1,035 services for a total of \$65,699.11 identified with the Provider's Medicaid Number during the examination period. The Provider is a member of a Professional Medical Group, Prasad Potaraju M.D., Inc., and the claims were paid to the Group Medicaid Provider Number, 2865163.

Ohio Medicaid recipients may be eligible to receive inpatient psychiatric services provided by a physician. Inpatient visits are provided to hospital patients or patients in long-term care facilities. Qualifying psychiatric services must be medically necessary for the diagnosis and treatment of an illness or injury to be a covered Medicaid service. According to Ohio Admin. Code § 5101:3-3-19(F), for reimbursement the physician must:

- Write, sign and date progress notes at each visit;
- Sign all orders; and
- Personally visit the patient.

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

The purpose of this examination was to review Medicaid reimbursements made to the Provider and determine whether the Provider 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 psychiatric services which the Provider rendered to Medicaid recipients in Fayette County and received payment during the period

of January 1, 2009 through December 31, 2010. The services were rendered to residents of two nursing facilities in Fayette County.

We received the Provider's claims history from the Medicaid Management Information System (MMIS) database of services billed to Ohio's Medicaid program. We extracted denied, third-party and Medicare cross-over claims. From the remaining paid claims, we selected a statistical random sample to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5101:3-1-27 (B)(1).

An engagement letter was sent to the Provider on August 21, 2012, setting forth the purpose and scope of the examination. Our fieldwork was performed in October 2012.

## **Results**

A statistical sample of 93 psychiatric services was selected and examined to ensure that there was substantive documentation to support the service rendered. The examination found 19 services with no documentation to support the service. The 19 paid claims lacking documentation were all for services provided to residents in one of the two nursing facilities in which the Provider rendered care. The reimbursements for those services with errors were disallowed. The total amount disallowed is \$1,145.47 which was used to project the amount of the overall finding.

## **Summary of Statistical Sample Results**

The overpayments identified for 19 of 93 services from our stratified statistical random sample of Fayette County psychiatric services were projected across the Provider's total population of paid recipient services for this subpopulation. This resulted in a projected overpayment amount of \$7,807.00 with a 95 percent certainty that the true population overpayment fell within the range of \$5,048.00 to \$10,566.00, a precision of plus or minus \$2,759.00 (35.34 percent). Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed estimate. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$5,492.00. A detailed summary of our statistical sample and projection results is presented in **Appendix I**.

## **Provider Response**

A draft report along with a detailed list of services for which we took findings was mailed to the Provider on November 27, 2012, and the Provider was afforded an opportunity to respond to this examination report. An exit conference was held with the Provider on December, 10, 2012.

In responding to the report, the Provider offered an explanation for the discrepancies found in the records at one of the two facilities in Fayette County. He noted the facility's residents need a high level of service provision and, due to the complexity of treatment issues, extensive documentation is generated. This leads to frequent 'thinning of records' which might have resulted in lost or misplaced notes. The number of service providers contributing documentation to the records also increases the opportunity for documents to become lost or misfiled. The Provider stated that he visited the facility on the dates of the missing service records; however, he acknowledged that he may have overlooked completing some documentation. Lastly, the Provider noted that he relies on the facilities to maintain and keep the records. He took responsibility for the missing notes and indicated he would work with the facilities to ensure that all service documentation is properly maintained in the future.



## APPENDIX I

### Summary of Sample Record Analysis for Prasad Potaraju, M.D. For the period January 1, 2009 through December 31, 2010

Description	Results of Analysis
Type of Examination	Statistical Stratified Random Variable Sample
Description of Population	All paid services for Fayette County, Ohio net of any adjustments and excluding Medicare Cross-over payments
Number of Population Services Provided	475
Total Medicaid Amount Paid For Population	\$30,505.26
Number of Services Sampled	93
Amount Paid for Services Sampled	\$6,445.31
Estimated Overpayment	\$7,807.00
Lower Limit Overpayment Estimate at 95% Confidence Level (two-tailed).	\$5,048.00
Upper Limit Overpayment Estimate at 95% Confidence Level (two-tailed).	\$10,566.00
Precision of Correct Population Payment Estimate at 95% Confidence Level	\$2,759.00 (35.34%)
Lower Limit Overpayment Estimate at 90% Confidence Level (two-tailed).	\$5,492.00
Upper Limit Overpayment Estimate at 90 % Confidence Level (two-tailed).	\$10,123.00
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Equivalent to 90% two-tailed Lower Limit used for Medicare audits)	\$5,492.00

**Source:** AOS analysis of MMIS information and the Provider's medical records

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# Dave Yost • Auditor of State

**PRASAD POTARAJU, M.D.**

**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  
DECEMBER 27, 2012**