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**DSQUARE TRANSPORTATION LTD.
CUYAHOGA COUNTY**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO NON-EMERGENCY MEDICAL TRANSPORTATION

Mr. Olujimi Adegbite, Owner
DSquare Transportation Ltd.
74 East 214th Street
Euclid, Ohio 44123

RE: *Medicaid Provider Number 3010002*

Dear Mr. Adegbite:

We examined your (the Provider's) compliance with specified Medicaid requirements for driver qualifications, service documentation and service authorization related to the provision of non-emergency medical transportation services during the period of January 1, 2012 through December 31, 2014. We reviewed the Provider's records to determine if it had support for services billed to and paid by Ohio Medicaid. In addition, we determined if the services were authorized in certificates of medical necessity (CMNs) and we reviewed personnel records to verify that driver qualifications were met. The accompanying Compliance Examination Report identifies the specific requirements examined for compliance.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients (the Provider Agreement). The Provider Agreement outlines the responsibility to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, and the regulations and policies set forth in the Medicaid Handbook including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Therefore, the Provider is responsible for complying with the requirements and laws outlined by the Medicaid program.

Auditor's Responsibility

Our responsibility is to express an opinion and report on the Provider's compliance with the specified Medicaid requirements based on our examination. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code and conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and, accordingly, included examining, on a test basis, evidence supporting the Provider's compliance with those Medicaid requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on the Provider's compliance with the specified Medicaid requirements.

Internal Control Over Compliance

The Provider is responsible for establishing and maintaining effective internal control over compliance with the Medicaid requirements. We did not perform any test of the internal controls and we did not rely on the internal controls in determining our examination procedures. Accordingly, we do not express an opinion on the effectiveness of the Provider's internal control over compliance.

Basis for Adverse Opinion

Our examination found material non-compliance with service documentation, service authorization requirements and driver qualification requirements. The Provider declined to submit a signed representation letter acknowledging responsibility for maintaining records and complying with applicable laws and regulations regarding Ohio Medicaid reimbursement; establishing and maintaining effective internal control over compliance; making available all documentation related to compliance; and responding fully to our inquiries during the examination.

Adverse Opinion on Compliance

In our opinion, the Provider has not complied, in all material respects, with the aforementioned requirements pertaining to service documentation, service authorization and driver qualifications for the period of January 1, 2012 through December 31, 2014.

Our testing was limited to the specified Medicaid requirements detailed in the Compliance Examination Report. We did not test other requirements and, accordingly, we do not express an opinion on the Provider's compliance with other requirements.

We found the Provider was overpaid by Ohio Medicaid for services rendered between January 1, 2012 and December 31, 2014 in the amount of \$303,348.59. This finding plus interest in the amount of \$13,559.27 totaling \$316,907.86 is due and payable to the ODM its adoption and adjudication of this examination report. When the Auditor of State identifies fraud, waste or abuse by a provider in an examination,¹ any payment amount in excess of that legitimately due to the provider will be recouped by ODM, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of the ODM, the Ohio Attorney General's Office, the U.S. Department of Health and Human Services/Office of Inspector General, and other regulatory and oversight bodies and is not intended to be and should not be used by anyone other than these specified parties. In addition, copies are available to the public on the Auditor of State website at www.ohioauditor.gov.



Dave Yost
Auditor of State

June 13, 2016

¹ "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 constitutes an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program. Ohio Admin. Code § 5160-1-29(A)

COMPLIANCE EXAMINATION REPORT

Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. 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 prevention, diagnosis, evaluation or treatment of an adverse health condition. See Ohio Admin. Code § 5160-1-01(B) 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 from receipt of payment 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 § 5160-1-17.2(D)(E).

Some Ohio Medicaid patients confined to a wheelchair may be eligible to receive non-emergency medical transportation services. Qualifying wheelchair van services must be certified as medically necessary indicating that the individual must be accompanied by a mobility-related assistive device and that transportation by standard passenger vehicle or common carrier is precluded or contraindicated. The necessity of a transportation service rendered on a fee-for-service basis must be certified by a practitioner holding a current license or certification to practice in a professional capacity. See Ohio Admin. Code §§ 5160-15-21, 5160-15-22, and 5160-15-27

During the examination period, the Provider received reimbursement of \$418,924.17 for 31,122 ambulette services including 15,563 non-emergency wheelchair van transports (procedure code A0130) and 15,559 corresponding mileage codes (procedure code S0209) rendered on 7,707 recipient dates of service (RDOS). A recipient date of service is defined as all services for a given recipient on a specific date of service. The Provider has an additional provider number 0125930 which is listed as inactive. We found no payments made to this provider number for the time frame covered by this examination.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid claims for reimbursement complied with Ohio Medicaid regulations. Please note that all rules and code sections relied upon in this report were those in effect during the examination period and may be different from those currently in effect. The scope of the engagement was limited to non-emergency medical transportation services, specifically wheelchair van (ambulette) services, that the Provider rendered to Medicaid recipients and received payment during the period of January 1, 2012 to December 31, 2014.

We received the Provider's paid claims history from ODM's Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed any voids and services paid at zero. From this population we extracted all dates of services with 30 or more transports to test all services provided on these services in their entirety (exception test). After removing the services in the exception test, we used a statistical sampling approach to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1). Specifically, we summarized services by RDOS and then stratified into three strata using a modified cumulative frequency square root method (Dalenius-Hodge Rule). Estimates of the population overpayment standard deviation were made for each stratum using the standard deviation of the actual amount paid per claim and a 70 percent error rate. The estimated error standard deviations and means were then used to calculate a stratified sample size by stratum and overall. The final stratum sample size calculations were modified upward to meet Cochran's approximation of normality and to have a minimum of 30 RDOS in each stratum.

Purpose, Scope, and Methodology (Continued)

The final calculated sample size is shown in the table below.

Universe/Strata	Population	Sample
Stratum 1: RDOS with Amount Paid Less than \$60.00	6,691	193
Stratum 2: RDOS with Amount Paid Between \$60.00 - \$69.99	480	30
Stratum 3: RDOS with Amount Paid \$70.00 and Over	171	30
Total RDOS:	7,342	253

An engagement letter was sent to the Provider setting forth the purpose and scope of the examination. During the entrance conference the Provider described its documentation practices and process for submitting billing to the Ohio Medicaid program. During fieldwork we reviewed personnel records and service documentation. We sent a missing records list and a final request for information to the Provider and we reviewed all documents received for compliance.

Results

We examined 1,504 wheelchair van transportation services (752 transports and 752 mileage codes) in our exception test of dates of services with 30 or more transports and found 575 errors. As a result, we identified \$14,485.59 as an overpayment.

We also examined 1,082 wheelchair van transportation services (541 transports and 541 mileage codes) in our statistical sample and identified 642 errors. The overpayments identified for 194 of 253 RDOS (784 of 1,082 services) from the stratified random sample were projected across the Provider's total population of paid RDOS resulting in a projected overpayment of \$288,863 with a 95 percent degree of certainty that the true population overpayment amount fell within the range, after adjustment, of \$267,386.91 to \$314,357.72 (+/- 7.43 to 8.43 percent). An adjustment was made to the original range of \$266,312 to \$311,413 (+/- 7.81 percent) to adjust for negative skewness in the results of one stratum. A detailed summary of our statistical sample and projection results is presented in **Appendix I**.

While certain services had more than one error, only one finding was made per service. The non-compliance found and the basis for our findings is discussed below in more detail.

On March 2, 2016 the Provider completed a questionnaire and stated that, since 2009, it has been aware of the requirements that in order for an ambulette transport to be covered by Medicaid, the transport must be in an ambulette, licensed and approved as such by OMTB and that a certificate of medical necessity must be on file for the individual being transported. The Provider further stated it maintained all records and documents necessary to substantiate transportation services.

A. Driver Qualifications

Each driver must have a valid drivers' license and a current card issued by a certified trainer as proof of successful completion of first aid and Cardiopulmonary Resuscitation (CPR) certification (or have an Emergency Medical Technician certification). Each driver must also provide an annual copy of his/her driving record from the Bureau of Motor vehicles (BMV) that shows less than 6 points on his/her driving record. See Ohio Admin. Code § 5101:3-15-02(C)(3)²

There were two drivers employed during our examination period. We found that the first driver had lapse of three months in both first aid and CPR certifications and the second driver had no first aid certification for the first 31 months of our examination period.

Due to the errors noted, we concluded both drivers were ineligible during the periods of lapses.

Exception Test

We reviewed the trip documentation and identified 537 transports by an ineligible driver. These 537 errors are included in the overpayment of \$14,485.59.

Statistical Sample

We reviewed the trip documentation and identified 271 transports by an ineligible driver. These 271 errors were used in the overall projection of \$288,863.

We also found that the first driver had a previous lapse of two weeks on his first aid and CPR certificates and concluded this was non-compliance. We noted that the first aid certificate submitted for the second driver was not signed by a certified trainer but rather was a self-guided internet based course. As such, we concluded this driver's certification did not fully meet the requirement. We identified 30 additional errors in the statistical sample for transports by a non-compliant driver; however, we identified no overpayment for these errors.

Recommendation:

The Provider should develop and implement a system to ensure that all drivers complete all requirements prior to rendering transportation services. In addition, the Provider should ensure that those requirements which involve renewal of certifications are also met and that supporting documentation is maintained. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Trip Documentation

Service records must describe the transport from the time of pick up to drop off, and include the mileage, full name of attendant, full name of driver, vehicle identification, full name of the Medicaid covered service provider, and complete Medicaid covered point of transport addresses. This requirement is necessary to calculate the correct payment prior to billing Ohio Medicaid. See Ohio Admin. Code § 5101:3-15-02(E)(2)

² Per Section 323.10.70 of Am. Sub. H. B. 59 of the 130th General Assembly, the Legislative Services Commission renumbered the rules of the Office of Medical Assistance within the Department of Job and Family services to reflect its transfer to ODM. The renumbering became effective on October 1, 2013. These renumbering effects all rules noted in the Results section of this report.

B. Trip Documentation (Continued)

The Provider used a driver log and billing sheet to document transportation services. The driver log included the date of service, recipient name, pick-up and drop off times, pick-up and drop off addresses, name of Medicaid covered service provider and the name of driver. The billing sheet included the date of service, recipient name and number of miles. We noted that the billing sheet frequently included the mileage for the round trip although the miles were billed separately for each leg of the trip. We also noted instances in which the driver log contained either the name or the address of the Medicaid covered service, but not both.

Exception Test

We tested to determine if the Provider had documentation to support the transports and corresponding mileage codes and identified four transports with no driver log to support the transports and six services with no billing sheet to support the miles billed. These 10 errors are included in the overpayment of \$14,485.59. For those transports in which there was no support for mileage billed, the overpayment identified only includes the reimbursement for the mileage and does not include reimbursement for the transport.

Statistical Sample

We received a list of common addresses from the Provider and cross checked the name or address on the driver log to obtain the missing element. If the name or address was not included on the common address list, we could not determine if one point of transport was to a Medicaid covered service. We haphazardly selected 10 of the 18 such instances and performed an internet search of the addresses and a MITS search of the recipient to determine if another provider billed for a Medicaid service on the same date. In 60 percent of the 10 transports tested, we could not obtain assurance that the address was that of a Medicaid covered service provider and we identified all 18 transports as errors.

We reviewed the trip documentation and identified the following errors:

- 41 transports in which there was no billing sheet to support the mileage billed;
- 18 transports in which it could not be determined if one point of the transport was to a Medicaid covered service;
- 7 transports in which there was no driver log to support the transport; and
- 2 transports in which the miles billed exceeded the miles documented on the billing sheet.

These 68 errors were used in the overall projection of \$288,863. For those transports in which there was no support for mileage billed, the overpayment identified only includes the reimbursement for the mileage and does not include reimbursement for the transport. In those instances in which mileage billed exceeded miles documented, the overpayment is based only on the unsupported miles.

We also noted instances of incomplete driver logs in which the pick-up and/or drop-off times were missing. We noted 28 transports with incomplete documentation in the exception test and 11 transports with incomplete documentation in the statistical sample. We did not identify an overpayment for these 28 errors.

Recommendation:

The Provider should develop and implement procedures to ensure that all service documentation fully complies with requirements contained in Ohio Admin. Code § 5160-15-27. In addition, the Provider should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. Certificate of Medical Necessity

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. The practitioner certification form must state the specific medical conditions related to the ambulatory status of the recipient which contraindicate transportation by any other means on the date of the transport. In addition, providers must obtain the completed, signed and dated CMN prior to billing the transport and CMN forms are not transferable from one transportation provider to another. See Ohio Admin. Code § 5101:3-15-02(E)(4)

We tested for compliance with CMN requirements for those services in the statistical sample only.

Statistical Sample

Our review of the CMNs identified 119 transports in which there was no CMN to cover the transport and 74 transports in which the CMN did not certify the recipient met any of the criteria for medical necessity, did not include a medical condition and/or was not signed by an authorized practitioner. These 193 errors were used in the overall projection of \$288,863.

In addition, we noted CMNs for 69 transports that included a medical condition and were signed by an authorized practitioner but were not complete. These CMNs did not consistently indicate that the recipient met all of the criteria for an ambulette transport, but at least one of the criteria was met. Per Ohio Admin. Code § 5101:3-15-03 (B)(2), ambulette services are covered only when the individual has been determined and certified by the attending practitioner to be non-ambulatory at the time of transport and does not require ambulance services; the individual does not use passenger vehicles as transport to non-Medicaid services; and the individual is physically able to be safely transported in a wheelchair. We did not identify an overpayment for these 69 errors.

Recommendation:

The Provider should establish a system to obtain the required CMNs for any services rendered on a fee-for-service basis, ensure they are completed by an authorized attending practitioner, and to review those CMNs to ensure they are complete prior to submitting a bill to Medicaid for the transport. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Provider Response:

The Provider submitted an official response to the results of this examination which is presented in **Appendix II**. We did not examine the Provider's response and, accordingly, we express no opinion on it.

Auditor of State Response:

Per Ohio Admin. Code § 5160-15-02(E)(4)(d), providers must obtain the completed, signed and dated practitioner certification form before billing the transport; however, the rule does allow for exceptions to the specified time lines for obtaining the form. Providers are required to maintain documentation if claiming an exception. We found no documentation supporting the Provider's use of an exception and/or of the Provider's attempts to obtain the properly completed form.

APPENDIX I

Summary of Sample Record Analysis

POPULATION

The population from which this subpopulation and sample is being taken is all paid Medicaid services, net of any adjustments where the service was performed and payment was made by ODM during the examination period.

SAMPLING FRAME

The sampling frame was paid and processed claims from MITS. This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLING UNIT

The primary sampling unit was a recipient date of service (RDOS).

SAMPLE DESIGN

We used a stratified random sampling approach.

Description	Analysis
Number of Population RDOS	7,342
Number of Population RDOS Sampled	253
Number of Population RDOS Sampled with Errors	194
Number of Population Services Provided	29,618
Number of Population Services Sampled	1,802
Number of Population Services Sampled with Errors	784
Total Medicaid Amount Paid for Population	\$398,724.69
Amount Paid for Population Services Sampled	\$14,839.09
Projected Correct Population Payment Amount	\$288,863
Upper Limit Overpayment Estimate at 95% Confidence Level	\$314,357.72
Lower Limit Overpayment Estimate at 95% Confidence Level	\$267,386.91
Precision of Population Overpayment Projection at the 95% Confidence Level*	\$21,476.09 (7.43%) Upper \$25,494.72 (8.43%) Lower

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

*Because of negative skewness in the results of the second stratum (only one sample record not having an overpayment) an adjustment was done to the confidence limits of this statistical projection. The correction technique used was the method described in "Sampling Methods for the Auditor: An Advanced Treatment" by Herbert Arkin. This technique used tables provided by E.S. Pearson and H.O. Hartley, Biometrika Tables for Statisticians, Volume 1 3rd Edition, Cambridge University Press, New York, table 42.

APPENDIX II

The DuBose Law Firm, LLC

Serving Healthcare Providers and Health Services Organizations

Via email: kserlewine@auditor.state.oh.us

October 18, 2016

Kristi S. Erlewine
Senior Audit Manager
Medicaid/Contract Audit Section
Auditor of State of Ohio
88 East Broad, 9th Floor
Columbus, OH 43215

RE: Written Response to Draft Audit Report for Medicaid Provider #3010002
DSquare Transportation Ltd

Ms. Erlewine,

This following serves as the final written response to the draft report for DSquare Transportation Ltd (“DSquare”).

With regard to the findings that drivers were ineligible as a result of no proof of CPR and/or First Aid training for second driver or a lapse of said training for the 1st driver, DSquare contends that during certain times within the audit period, it utilized a service, First Aid Web, assuming that it was legitimate. However, DSquare has subsequently learned that First Aid Web has had several complaints lodged against them because they did not provide customers with what was promised. DSquare is still attempting to locate its proof of payment for the service to demonstrate its compliance with First Aid and CPR requirements.

With regard to findings regarding trip documentation, DSquare challenges the extrapolation of the alleged 68 errors across its population dates of services for the audit period.

With regard to finds regarding CMNs, DSquare challenges the extrapolation of the alleged 193 errors across its universe for or the audit period. Additionally, with regard to the findings that certain CMNs are not signed by a qualified practitioner or do not list a medical condition or are not filled in completely, DSquare respectfully requests that such findings not be taken as it is the responsibility of the practitioner and/or its designee to fully and accurately complete those portions of the forms—not DSquare’s. DSquare presented the forms to the practitioners for completion and the practitioners failed to fill in every blank—

not DSquare. In fact, if DSquare was to complete those portions of the form, they could be cited for falsification or tampering of documents. If an ambulette provider is not permitted to bill because a practitioner fails to completely fill out the form, which is not within the control of the ambulette provider, the ambulette provider would be unable to provide services to Medicaid consumers in need of ambulette services or as in this instance, would end up providing such services pro bono. Thus, DSquare should not be penalized for relying on a practitioner to correctly complete the form and for actually providing services pursuant to having the form signed by the practitioner or the practitioner's designee.

Finally, DSquare respectfully requests that this final written statement be included as an attachment to the published audit report.

Sincerely,

/s/ Shakeba DuBose
Shakeba DuBose, Esq.
Founding Member
The DuBose Law Firm, LLC
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D SQUARE TRANSPORTATION LTD

CUYAHOGA 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 10, 2016**