



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT DURABLE MEDICAL EQUIPMENT SUPPLIES

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Cornerstone Medical Services-Midwest, LLC
Ohio Medicaid Numbers: 2523326, 3145251, 0403176 and 0457989
National Provider Identifiers: 1417965849, 1023026499, 1245867977 and 1457934499

We were engaged to examine compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to fee-for-service and one Medicaid managed care organization for the provision of oxygen equipment during the period of January 1, 2019 through December 31, 2021 for Cornerstone Medical Supplies-Midwest, LLC (Cornerstone)¹.

We also tested the following:

- All instances in which the service date was more than four months after a recipient's death;
- All instances in which the same durable medical equipment (DME) supply was paid more than once for the same recipient in the same month; and
- All non-invasive home ventilators for the top 10 recipients with the highest number of months with a ventilator.

Cornerstone entered into an agreement with the Ohio Department of Medicaid (the Department) to provide services to Medicaid recipients and to adhere to the terms of the provider agreement, Ohio Revised Code, Ohio Administrative Code, and federal statutes and rules, including the duty to maintain all records necessary and in such form to fully disclose the extent of services provided and significant business transactions. Management of Cornerstone is responsible for its compliance with the specified requirements.

The purpose of this engagement was to determine whether Cornerstone's claims for payment complied with Ohio Medicaid regulations. 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. During our engagement, we obtained proof of delivery as well as certificates of medical necessity (CMNs) from Cornerstone to confirm that the services examined were authorized.

Results

Ohio Admin. Code § 5160-1-17.2(H) specifies that a provider cannot be currently subject to sanction under Medicare, Medicaid, or Title XX or otherwise prohibited from providing services to Medicaid beneficiaries. We compared identified owners and administrative staff to the Office of Inspector General exclusion database and the Department's exclusion/suspension list and found no matches.

¹ Cornerstone is owned by AeroCare Holdings, Inc. which was acquired by AdaptHealth Corp in 2021.

Ohio Admin. Code § 5160-10-01 requires a provider maintain documentation that includes, but is not limited to, a completed and signed CMN and proof of delivery; however, the CMN requirement was amended between June 12, 2020 and July 1, 2021 to allow attestation by a provider to establish medical necessity and the signature of the practitioner was optional due to the COVID-19 state of emergency.

We identified 76 services for four recipients in which both a portable gas oxygen system rental (procedure code E0431) and oxygen concentrator rental (E1390) payments were made after the recipient's confirmed date of death. These 76 errors resulted in the improper payment amount of \$5,320.00.

We identified 17 instances in which either a cane (E0100), walker (E0143 and E0149), non-invasive home ventilator (E0466), continuous positive airway pressure device (E0601) or wheelchair (K0001, K0003 and K0006) was paid more than once for the same recipient in the same month. In five instances, the recipient was authorized for both a standard and a heavy-duty wheelchair and in one instance the recipient was authorized for both a folded wheeled walker and a heavy-duty wheeled walker. For the remaining nine instances, a duplicate payment was made for the same DME. These nine errors resulted in the improper payment amount of \$2,039.68.

All 265 non-invasive home ventilators (E0466) for the top 10 recipients examined were supported by a CMN and proof of delivery.

The 1,412 sampled oxygen equipment services examined consisted of 742 oxygen concentrator rentals (E1390), 611 portable gas oxygen system rentals (E0431), 28 portable oxygen concentrator rentals (E1392), 18 stationary compressed gas oxygen system rentals (E0424), 11 portable liquid oxygen system rentals (E0434) and two stationary liquid oxygen system rentals (E0439). We identified 45 instances in which there was no CMN to support the payment and 12 instances in which the CMN did not authorize the selected equipment. These 57 errors resulted in the improper payment amount of \$3,398.50.

Recommendation

Cornerstone should implement a quality review process to ensure that all billing practices fully comply with requirements contained in the Ohio Medicaid rules. Cornerstone should also develop and implement procedures to ensure that all services are authorized by a signed CMN. In addition, Cornerstone should ensure that services billed to Medicaid are consistent with the benefits covered by the program. Cornerstone should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Internal Control over Compliance

Cornerstone 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 Cornerstone's internal control over compliance.

Basis for Disclaimer of Opinion

Attestation standards established by the American Institute of Certified Public Accountants (AICPA) require that we request a written statement from Cornerstone confirming, to the best of their knowledge and belief, their representations made to us during the course of our examination. We requested that Cornerstone provide such a statement, but Cornerstone declined to do so.

Disclaimer of Opinion

Our responsibility is to express an opinion on Cornerstone's compliance with select Medicaid requirements based on conducting the examination in accordance with attestation standards established by the AICPA. Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on Cornerstone's compliance with the aforementioned requirements of oxygen supplies for the period of January 1, 2019 through December 31, 2021.

We identified improper Medicaid payments in the amount of \$10,758.18. This finding plus interest in the amount of \$1,205.06 (calculated as of September 19, 2023) totaling \$11,963.24 is due and payable to the Department upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the Department, which are not validated in the records, are subject to recoupment through the audit process. See Ohio Admin. Code § 5160-1-27.

We are required to be independent of Cornerstone and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

This report is intended solely for the information and use of the Department, and other regulatory and oversight bodies, and is not intended to be, and should not be used by anyone other than these specified parties.



Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2023

OHIO AUDITOR OF STATE KEITH FABER



CORNERSTONE MEDICAL SERVICES-MIDWEST, LLC

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/16/2023

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This report is a matter of public record and is available online at
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