



OHIO AUDITOR OF STATE
KEITH FABER



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

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

RE: Genesis Respiratory Services, Inc. dba Genesis Oxygen and Home Medical Equipment
Ohio Medicaid Numbers: 0053023, 0053521 and 0415296
National Provider Identifiers: 1770606022, 1588780753 and 1700958196

We examined compliance with specified Medicaid requirements for the select durable medical equipment (DME) payments listed below during the period of January 1, 2019 through December 31, 2021 for Genesis Respiratory Services, Inc. dba Genesis Oxygen and Home Medical Equipment (Genesis).

We tested the following select payments:

- A sample of incontinence garments;
- All instances in which the claims data indicated the same procedure code was paid for the same recipient and service date by both fee-for-service (FFS) and a managed care organization (MCO); and
- All instances in which the service date was after the recipient's date of death.

Genesis 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 Genesis is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements included in the engagement. Our responsibility is to express an opinion on Genesis' compliance with the specified Medicaid requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Genesis complied, in all material respects, with the specified requirements detailed in the Compliance Section. We are required to be independent of Genesis and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

An examination involves performing procedures to obtain evidence about whether Genesis complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion. Our examination does not provide a legal determination on Genesis' compliance with the specified requirements.

Internal Control over Compliance

Genesis 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 Genesis' internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed, in a material number of instances, Genesis billed both FFS and an MCO for the same service and billed for the rental of oxygen equipment after the month of a recipient's date of death.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Genesis has complied, in all material respects, with the select requirements for the selected payments for the period of January 1, 2019 through December 31, 2021.

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

We identified improper Medicaid payments in the amount of \$3,132.86. This finding plus interest in the amount of \$201.10 (calculated as of September 25, 2023) totaling \$3,333.96 is due and payable to the Department upon its adoption and adjudication of this 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.

This report is intended solely for the information and use of Genesis, 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 25, 2023

COMPLIANCE SECTION

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 for the program are specified in the Ohio Administrative Code and the Ohio Revised Code. 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. See Ohio Admin. Code § 5160-1-17.2(D) and (E).

Genesis is a DME supplier and has 14 locations throughout Ohio and Kentucky. Genesis received payment of approximately \$14.9 million for over 205,000 DME supplies under its nine active Ohio Medicaid provider numbers¹. Our examination was limited to its Coal Grove (0053023), Jackson (0053521), and New Boston, Ohio (0415296) locations. Genesis Respiratory Services, Inc. is doing business as Genesis Oxygen and Home Medical Equipment; however, this name is not registered with the Ohio Secretary of State.

Purpose, Scope, and Methodology

The purpose of this engagement was to determine whether Genesis' claims for payment 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 select payments, as specified below, for which Genesis billed with dates of service from January 1, 2019 through December 31, 2021 and received payment.

We obtained Genesis' claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid Program. We removed all services paid at zero, third-party payments, Medicare crossover claims and managed care encounters². From the total paid FFS population, we selected the following payments:

- All instances in which the claims data indicated the same recipient had DME supplies reimbursed by both FFS and a MCO on the same day (Recipients with FFS and MCO Payments on Same Day Exception Test);
- All instances in which the date of service for a portable gas oxygen system rental (procedure code E0431) and oxygen concentrator rental (E1390) was after the recipient's date of death (Payments After Date of Death Exception Test); and
- A random sample of 75 recipient months of service (RMOS)³ of incontinence garments (Incontinence Garments Sample).

The exception tests and calculated sample size are shown in **Table 1**.

¹ Payment data from the Medicaid Information Technology System (MITS) for the following provider numbers: 0059495, 0054910, 0054906, 0053527, 0053521, 0053023, 0053017, 0464248 and 0415296.

² With the exception of 25 payments from two MCOs which were also reimbursed by FFS and were included in our testing.

³ An RMOS is defined as all payments for a given recipient in a specific month of service.

Purpose, Scope, and Methodology (Continued)

Table 1: Exception Tests and Sample			
Universe	Population Size	Sample Size	Selected Payments
Exception Tests			
Recipients with FFS and MCO Payments on Same Day ¹			50
Payments After Date of Death (E0431 and E1390)			31
Sample			
Incontinence Garments ²	18,234 RMOS	75 RMOS	81
Total			162

¹ These payments include administration sets with non-disposable small volume nonfiltered pneumatic nebulizer (A7005), portable gas oxygen system rentals (E0431), oxygen concentrators (E1390), standard wheelchairs (K0001), knee orthosis (L1820), adult sized protective underwear/pull-on (T4526 and T4527), disposable liner/shield/guard/pad/undergarments (T4535) and disposable underpads (T4542).

² These payments include adult sized disposable brief/diapers (T4521, T4522, T4523 and T4524) and adult sized protective underwear/pull-on (T4525, T4526 and T4527).

A notification letter was sent to Genesis setting forth the purpose and scope of the examination. During the entrance conference, Genesis described its documentation practices and billing process. During fieldwork, we obtained an understanding of the document and business management system used and reviewed service documentation. We sent preliminary results to Genesis, and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

Results

The summary results are shown in **Table 2**. While certain payments had more than one error, only one finding was made per payment. The non-compliance and basis for findings is discussed below in further detail.

Table 2: Results				
Universe	Payments Examined	Non-compliant Payments	Non-compliance Errors	Improper Payment
Exception Tests				
Recipients with FFS and MCO Payments on Same Day	50	7	7	\$358.57
Payments After Date of Death	31	31	60	\$2,140.00
Sample				
Incontinence Garments	81	5	5	\$634.29
Total	162	43	72	\$3,132.86

A. Provider Qualifications

Exclusion or Suspension List

Per Ohio Admin. Code § 5160-1-17.2(H), in signing the Medicaid provider agreement, a provider agrees that the individual practitioner or employee of the company is not currently subject to sanction under Medicare, Medicaid, or Title XX; or is otherwise prohibited from providing services to Medicaid beneficiaries.

A. Provider Qualifications (Continued)

We compared identified administrative staff names to the Office of Inspector General's exclusion database and the Department's exclusion/suspension list and found no matches.

B. Service Documentation

We tested compliance with Ohio Admin. Code § 5160-10-01 which requires a provider maintain documentation to support proof of delivery. In addition, "if a provider delivers directly to a recipient, proof of delivery must include signature of recipient or authorized representative...If a provider used a third-party shipper, acceptable proof of delivery includes the tracking slip or returned postage-paid delivery invoice." We obtained the proof of delivery from Genesis for the below payments and compared it to the required elements.

Per Ohio Admin. Code § 5160-1-17.2, by signing the provider agreement the provider certifies and agrees to submit claims only for services actually performed.

Incontinence Garments Sample

The 81 incontinence garments examined contained two instances in which the proof of delivery either did not contain a tracking slip or delivery notice or was not signed by the recipient or authorized representative and two instances in which there was no proof of delivery to support the payment. These four errors are included in the improper payment of \$634.29.

Recommendation

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

C. Service Authorization

A DME provider is required to maintain a completed and signed CMN for each claim submitted for payment. A CMN is a written statement by a practitioner attesting that a particular item or service is medically necessary for an individual. 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. See Ohio Admin. Code § 5160-10-01.

We obtained CMNs from Genesis for the below payments to confirm that the CMN authorized the payment examined and was signed by the prescribing practitioner.

Sample of 75 Recipient Months of Incontinence Supplies

The 81 payments examined contained one instance in which there was no CMN to support the payment. This error is included in the improper payment of \$634.29.

Recommendation

Genesis should develop and implement procedures to ensure that all services billed are authorized by a signed CMN. Genesis should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

D. Medicaid Coverage

Recipients with FFS and MCO Payments on Same Day Exception Test

The 50 payments examined consisted of 25 instances in which the claims data indicated that the same DME supply was reimbursed for the same recipient by both FFS and an MCO on the same service date. For 18 of these instances, Genesis had documentation to support the recoupment of the payment by the MCO. We did not associate an improper payment in these instances.

In the remaining seven instances, we determined whether the recipient was enrolled in managed care on the date of service⁴. We determined the three recipients were not enrolled in managed care on the date of service and identified the five MCO payments as improper. For the last recipient, we determined they were enrolled in managed care on the date of service and we identified the two FFS payments as improper. These seven errors resulted in an overpayment amount of \$358.57.

Payments After Date of Death Exception Test

The 31 payments examined consisted of one recipient in which both a portable gas oxygen system rental and oxygen concentrator rental was reimbursed after the recipient's confirmed date of death. There were two instances in which the service date was in the same month as the recipient's death.

In addition, we confirmed that Genesis had initial proof of delivery for the portable system and the oxygen concentrator; however, Genesis had no signed CMN to authorize the selected payments.

In total, the resulting improper payment is \$2,140.00.

Recommendation

Genesis should ensure that services billed to Medicaid are consistent with the benefits covered by the program. Genesis should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

Official Response

Genesis did not provide comments on the results above.

⁴ Based on information in MITS.

OHIO AUDITOR OF STATE KEITH FABER



GENESIS RESPIRATORY SERVICES, INC.

SCIOTO 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 11/9/2023

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