



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements Made to Hillcrest Ambulance Service

A Compliance Review by the

**Fraud, Waste and Abuse
Prevention Division**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

Chris Branthoover, Office Manager
Hillcrest Ambulance Service
26420 Lakeland Boulevard
Euclid, Ohio 44132

Dear Ms. Branthoover:

We have completed our audit of selected medical services rendered to Medicaid recipients by Hillcrest Ambulance Service for the period January 1, 1994 through December 31, 1999. We identified findings in the amount of \$11,549.72, which must be repaid to the Ohio Department of Job and Family Services. The attached report details the basis for the findings.

Payment arrangements should be made with the Ohio Department of Job and Family Services within 45 days of the date of this report. When making payment, please use the remittance form at the back of this report to ensure proper credit. In accordance with Ohio Revised Code Section 131.02, if payment is not made within 45 days, this matter will be referred to the Ohio Attorney General's Office for collection.

If you have any questions, please contact Johnnie L. Butts, Jr., Chief of the Fraud, Waste and Abuse Prevention Division at (614) 466-3212.

Yours truly,

JIM PETRO
Auditor of State

November 8, 2001

TABLE OF CONTENTS

SUMMARY OF RESULTS	1
BACKGROUND	1
PURPOSE, SCOPE AND METHODOLOGY	2
RESULTS	4
Missing Documentation	4
Incorrect Mileage Documentation	4
Findings	5
PROVIDER'S RESPONSE	5
APPENDIX I: Summary of Record Analysis for Hillcrest Ambulance Service.	7
PROVIDER REMITTANCE FORM	9

ABBREVIATIONS

CMS	Center for Medicare and Medicaid Services (formerly known as HCFA)
CPT	Physician's Current Procedural Terminology
EMT	Emergency Medical Technician
FWAP	Fraud, Waste, and Abuse Prevention (Division of)
HCFA	Health Care Financing Administration
HCPCS	HCFA Common Procedure Coding System
MMIS	Medicaid Management Information System
OAC	Ohio Administrative Code
ODJFS	Ohio Department of Job and Family Services
ORC	Ohio Revised Code
TCN	Transaction Control Number

This Page Intentionally Left Blank

SUMMARY OF RESULTS

The Auditor of State performed a review of Hillcrest Ambulance Service, Provider #0139442, doing business at 26420 Lakeland Blvd., Euclid, Ohio 44132. Findings totaling \$11,549.72 were identified. The findings are recoverable as they resulted from Medicaid claims submitted by Hillcrest Ambulance Service for services that did not meet reimbursement rules under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code (OAC).

BACKGROUND

The Auditor of State, working in cooperation with the Ohio Department of Job and Family Services (ODJFS), performs reviews designed to assess Medicaid providers' compliance with federal and state claims reimbursement rules. A Provider renders medical, dental, laboratory, or other services to Medicaid recipients.

Medicaid was established in 1965 under the authority of Title XIX of the Social Security Act and is a federal/state financed program which provides assistance to low income persons, families with dependent children, the aged, the blind, and the disabled. ODJFS administers the Medicaid program. The rules and regulations that providers must follow are issued by ODJFS in the form of an Ohio Medicaid Provider Handbook.

ODJFS' Medicaid Provider Handbook, General Information, Section II, Subsection (B), Chapter 3334, (OAC Section 5101:3-1-01), states in part, "Medical necessity" is the fundamental concept underlying the Medicaid program. A physician must render or authorize medical services within the scope of their licensure and based on their professional judgement of those services needed by an individual. "Medically necessary services" are services which are necessary for the diagnosis or treatment of disease, illness, or injury and meet accepted standards of medical practice."

Medical transportation services are among the services reimbursed by the Medicaid program when delivered by eligible providers to eligible recipients. The range of medical transportation services includes emergency and non-emergency ambulance transport to a Medicaid covered service, non-emergency ambulette/wheelchair vehicle transport to a Medicaid-covered service, as well as emergency and non-emergency air ambulance transport. Covered medical transportation services (ambulance and ambulette/wheelchair vehicle services) are those transports that are determined to be medically necessary and appropriate to the recipient's health. Requirements for providers of medical transportation services are covered in ODJFS' Transportation Services Manual, which is part of the Ohio Medicaid Provider Handbook.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and OAC Section 5101:3-1-172, providers are required to "Maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions. The provider will maintain such records for a period of six years form the date of receipt of payment or

until any initiated audit is completed, whichever is longer.”

In addition, rule 5101:3-1-29 (C) of the OAC states: “In all instances of fraud and abuse, any amount in excess of that legitimately due to the provider will be recouped by the department through its surveillance and utilization review section, the state auditor, or the office of the attorney general.

“Abuse” is defined in rule 5101:3-1-29 (B) as “...those provider practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and result in an unnecessary cost to the medicaid program..”

PURPOSE SCOPE AND METHODOLOGY

The purpose of this review was to determine whether the Provider’s claims to Medicaid for reimbursement of transportation services were in compliance with regulations and to calculate the amount of any overpayment resulting from non-compliance.

We informed the Provider by letter they had been selected for a compliance review. An Entrance Conference was held on September 28, 2000 with Chris Branthoover, Business Manager and Edward Patriarca, Director of Operations.

We utilized ODJFS’ Ohio Medicaid Provider Handbook and the OAC as guidance in determining the extent of services and applicable reimbursement rates. We obtained the provider’s claims history from ODJFS’ Medicaid Management Information System (MMIS), which lists services billed to and paid by Medicaid. This computerized claims data includes patient name, place of service, date of service, and type of procedure/service. These healthcare procedures and services are codified using one or more of the following five digit coding systems:

- Current Procedural Terminology (CPT)¹,
- Center for Medicare and Medicaid Services² (CMS) Common Procedural Coding System (HCPCS), and
- ODJFS’ local level codes.

The scope of our review was limited to claims for which the Provider was paid by Medicaid during the period January 1, 1994 though December 31, 1999. To facilitate an accurate and timely review of paid claims, a statistical random sample of 125 transaction control numbers (TCN’s), which is the identifier for a transportation service bill for one recipient, was taken. The 125 TCN’s represented

¹The CPT is published by the American Medical Association (AMA) for the purpose of providing a uniform language to describe medical services.

²Center for Medicare and Medicaid Services (formally known as HCFA) has federal oversight of the Medicaid program.

417 different transportation services, which typically includes each one-way transport and mileage. We examined the amounts reimbursed by ODJFS and conducted an on-site review of transportation records.

For the January 1, 1994 through December 31, 1999 review period, the Provider was reimbursed \$861,513.10 for 19,709 Medicaid ambulette services, including \$6,088.85 for the 417 services in our sample. Table 1 summarizes the transportation services included in our sample.

Table 1: Transportation Services Billed by and Reimbursed to Hillcrest Ambulance Service for 125 TCN's Reviewed Audit Period January 1, 1994 to December 31, 1999

Procedural Definition	Procedure Code	Number of Services	Amount of Reimbursement
Non-emergency Ambulette Transport, base rate	A0130	200	\$4,254.71
Non-emergency transport, ambulance	A0150	14	\$780.78
Non-emergency ALS* or BLS** ambulance, loaded mileage, one-way	A0160	6	\$15.84
Non-emergency ALS* Ambulance Transport, with specialized services, base rate	A0326	1	\$64.14
Non-emergency Ambulette, Loaded mileage, one-way	Z0160	196	\$973.78
TOTALS	-----	417	\$6,088.85

*Advance Life Support **Basic Life Support

Source: Paid claims contained in ODJFS' Medicaid Management Information System

The review involved comparing transportation records with the claims payment history from MMIS. The documents requested from the Provider for review included:

- (1). A trip log which should state the date of service, time of call, name(s) of attendant(s), time of pickup, name(s) of client(s), name of driver and vehicle identification, departure/destination, and loaded mileage. A trip log is used to validate that a transportation service took place.
- (2). The original ODJFS 3452 Physician Certification form documenting the medical necessity of the transport.
- (3). Copies of each ambulette driver's certification card for basic first-aid training. This

certification may be issued by the American Red Cross or an equivalent certifying organization.

We also visually inspected an ambulance vehicle to determine if the required equipment was in place.

Work performed on this audit was done in accordance with government auditing standards. Detailed below are the results of this review.

RESULTS

We identified findings in two areas: Missing Documentation, which included no physician certifications or no trip record, and Incorrect Mileage Documentation. A discussion of the basis and amount of our findings follows.

Missing Documentation

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection B, (OAC Section 5101:3-1-172), the provider must maintain records for a period of six years from the date of receipt of payment or until any initiated audit is completed, whichever is longer, to fully describe the extent of services rendered.

Completion of form 3452 (Physician Certification) is required by OAC Section 5101:3-15-02 in order for the transportation provider to be eligible for reimbursement for Medicaid services. This certification record validates the medical necessity of the transportation service.

The physician certification is analogous to a physician's order or a prescription. Just as a prescription is required in order for a pharmacy to dispense medications and must be maintained as a record retained by the pharmacy, the physician certification for transportation services is the document that validates the medical necessity to transport the patient and must be maintained as a record by the transportation provider.

The review of our statistical random sample of 125 TCN's identified 8 TCN's (affecting 22 of the 417 services associated with these TCN's) where the Provider billed and was reimbursed by ODJFS for transportation services, but was unable to provide physician certifications, drivers certifications, or other documentation to support the service. Therefore, we were unable to verify that services were performed or that the services were medically necessary.

Incorrect Mileage Documentation

Pursuant to the Ohio Administrative Code Section 5101:3-15-03, Medical Transportation Covered Services and Limitations, provisions are made for mileage services. Reimbursement and documentation of mileage services are held in conjunction with the provider's other records which

fully describe the transportation services. Accurate reporting is imperative to receive proper reimbursement for services. Errors in mileage recording on the vehicle trip sheets, if not corrected, may result in improper reporting and overpayments.

The review of our statistical random sample of 125 TCN's identified one instance where the provider billed and was reimbursed by ODJFS for 94 miles on a trip, but the actual mileage was only 4 miles. Therefore, the provider should have been reimbursed only for 4 miles. Therefore, an overpayment of \$78.96 occurred for the additional 90 miles not driven.

Findings

We projected the error rate for the 8 TCN's with no documentation and/or missing certifications along with the one TCN with an excessive mileage charge across the total population of Hillcrest Ambulance's transportation services. This resulted in a projected overpayment of \$48,567.87, with a 95 percent certainty that the actual finding fell within a range of \$85,586.01 to \$11,549.72. Because this range is larger than we require when projecting a sample result, we are making a finding for \$11,549.72 -- the lower amount in our range. We believe that using the lower amount is conservative because we can state with 97.5 percent certainty that the actual finding would have been at least this amount had we reviewed all of the Provider's claims for the audit period.

PROVIDER'S RESPONSE

We sent the Provider a draft copy of this report on August 1, 2001. The Provider responded to the draft report on August 13, 2001, and stated that they will reimburse the amount listed on the report, though they would like to reimburse the amount through deductions from future payments. We suggested that the Provider contact ODJFS to make payment arrangements.

This Page Intentionally Left Blank

APPENDIX I

**Table 1: Summary of Record Analysis of Hillcrest Ambulance Service
For the period January 1, 1994 to December 31, 1999**

Description	Audit Period January 1, 1994 - December 31, 1999
Total Medicaid Transportation Services Paid	\$861,513.10
Number of Transportation Services	19,709
Type of Examination	Statistical Random Sample of 125 TCN's
Number of Transportation Services Sampled	417
Amount Paid for Services Sampled	\$6,088.85
Projected Overpayment From Statistical Sample	\$48,567.87
Upper Limit at 95% Confidence Level	\$85,586.01
Lower Limit at 95% Confidence Level	\$11,549.72

This Page Intentionally Left Blank

PROVIDER REMITTANCE FORM

Make your check payable to the Treasurer of State of Ohio and mail check along with this completed form to:

Ohio Department of Job and Family Services
Post Office Box 182367
Columbus, Ohio 43218-2367

Provider: Hillcrest Ambulance Service
26420 Lakeland Blvd.
Euclid, Ohio 44132

Provider Number: 0139442

Review Period: January 1, 1994 through December 31, 1999

AOS Finding Amount: \$11,549.72

Date Payment Mailed: _____

Check Number: _____

IMPORTANT: To ensure that our office properly credits your payment, please also fax a copy of this remittance form to: Charles T. Carle at (614) 728-7398.

This Page is Intentionally Left Blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HILLCREST AMBULANCE SERVICE

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 8, 2001**