



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: Advanced Technology of Kentucky, Inc.
Ohio Medicaid Number: 0158074 National Provider Identifier: 1912909086

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization for select payments related to the provision of durable medical equipment (DME) supplies during the period of January 1, 2019 through June 30, 2022 for Advanced Technology of Kentucky, Inc. (Advanced Technology).

We tested all instances in which a payment was made to Advanced Technology and another Ohio Medicaid provider for the same supply on behalf of the same recipient on the same day, as well as all instances in which frequency limits as specified in the Ohio Admin. Code were exceeded during the examination period.

Advanced Technology 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 so as to fully disclose the extent of services provided and significant business transactions. Management of Advanced Technology is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements examined. Our responsibility is to express an opinion on Advanced Technology's 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 Advanced Technology complied, in all material respects, with the specified requirements detailed in the Compliance Section. We are required to be independent of Advanced Technology 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 Advanced Technology 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 Advanced Technology's compliance with the specified requirements.

Internal Control over Compliance

Advanced Technology 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 Advanced Technology's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, Advanced Technology had no certificate of medical necessity (CMN) or prior authorization to support the medical necessity of DME supplies in excess of the frequency limits in two of the areas tested.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Advanced Technology has complied, in all material respects, with the select requirements for the selected payments for the period of January 1, 2019 through June 30, 2022.

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 Advanced Technology's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$13,592.23. This finding plus interest in the amount of \$1,987.82 (calculated as of July 9, 2024) totaling \$15,580.05 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 per Ohio Admin. Code 5160-1-27. If waste and abuse¹ are suspected or apparent, the Department and/or the Office of the Attorney General will take action to gain compliance and recoup inappropriate or excess payments in accordance with Ohio Admin. Code 5160-1-29(B).

This report is intended solely for the information and use of Advanced Technology, 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

August 31, 2024

¹ "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 5160-1-29(A)

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 per Ohio Admin. Code 5160-1-17.2(D) and (E).

Advanced Technology is a DME supplier and received approximately \$2.1 million for over 28,000 DME supplies² under the provider number examined. Advanced Technology is located in Florence, Kentucky and provides supplies to Ohio recipients.

Table 1 contains the DME supply procedure codes selected for this compliance examination.

Table 1: DME Supplies	
Procedure Code	Description
E0144	Walker, enclosed, four sided framed, rigid or folding, wheeled with posterior seat
L0633	Lumbar-sacral orthosis, sagittal-coronal control, with rigid posterior frame/panel(s), posterior extends from sacrococcygeal junction to t-9 vertebra, lateral strength provided by rigid lateral frame/panels, produces intracavitary pressure to reduce load on intervertebral discs, includes straps, closures, may include padding, stays, shoulder straps, pendulous abdomen design, prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise
L1810	Knee orthosis, prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise
L1830	Knee orthosis, prefabricated, off-the-shelf
L1832	Knee orthosis, adjustable knee joints, prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise
L1845	Knee orthosis, double upright, thigh and calf, with adjustable flexion and extension joint, prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise
L1902	Ankle orthosis, ankle gauntlet or similar, with or without joints, prefabricated, off-the-shelf
L2810	Addition to lower extremity orthosis, knee control, condylar pad
L2820	Addition to lower extremity orthosis, soft interface for molded plastic, below knee
L2830	Addition to lower extremity orthosis, soft interface for molded plastic, above knee
L3650	Shoulder orthosis, figure of eight design abduction restrainer, prefabricated, off-the-shelf
L3670	Shoulder orthosis, acromio/clavicular (canvas and webbing type), prefabricated, off-the-shelf

² Payment data from the Medicaid Information Technology System.

Table 1: DME Supplies (Continued)	
L3807	Wrist hand finger orthosis, without joint(s), prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise
L3908	Wrist hand orthosis, wrist extension control cock-up, non-molded, prefabricated, off-the-shelf
L3923	Hand finger orthosis, without joints, may include soft interface, straps, prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise
L4350	Ankle control orthosis, stirrup style rigid, includes any type interface, prefabricated, off-the-shelf
L4360	Walking boot, pneumatic and/or vacuum, with or without joints, with or without interface material, prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise
L4396	Static or dynamic ankle foot orthosis, including soft interface material, adjustable for fit, for positioning, may be used for minimal ambulation, prefabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise

Source: Appendix to Ohio Admin. Code 5160-10-01

Purpose, Scope, and Methodology

The purpose of this engagement was to determine whether Advanced Technology's 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 fee-for-service payments and payments from one selected Medicaid managed care entity (MCE) for select DME supplies, as specified below, for which Advanced Technology billed with dates of service from January 1, 2019 through June 30, 2022 and received payment.

We obtained Advanced Technology's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We also obtained paid claims from the MCE and confirmed the services were paid to Advanced Technology's tax identification number. We removed all services paid at zero, third-party payments, copayments, and Medicare crossover claims. From the remaining total paid services population, we selected the following payments:

- All instances in which the claims data indicated that Advanced Technology was reimbursed for the same DME supply (procedure codes L2810, L2820 and L2830) on behalf of the same recipient on the same day as another Medicaid provider (Potential Duplicate Services Exception Test);
- All instances in which the frequency limits for knee orthoses (L1810 or L1830) and ankle orthoses (L1902) was exceeded during the examination period (Exceeding Limit of Two Supplies per Year Exception Test);
- All instances in which the frequency limits for wrist hand orthoses (L3908) was exceeded during the examination period (Exceeding Limit of One Supply per 180 Days Exception Test);
- All instances in which the frequency limits for walkers (E0114), lumbar-sacral orthoses (L0633), knee orthoses (L1832 and L1845), and wrist hand finger orthoses (L3807) was exceeded during the examination period (Exceeding Limit of One Supply per Two Years Exception Test); and
- All instances in which the frequency limits for shoulder orthoses (L3650 and L3670), hand finger orthoses (L3923), ankle control orthoses (L4350), walking boots (L4360) and ankle foot orthoses (L4396) was exceeded during the examination period (Exceeding Limit of One Supply per Medical Event Exception Test).

Purpose, Scope, and Methodology (Continued)

The exception tests are shown in **Table 2**.

Table 2: Exception Tests	
Exception Tests	Selected Payments
Potential Duplicate Services	3
Exceeding Limit of Two Supplies per Year	18
Exceeding Limit of One Supply per 180 Days	127
Exceeding Limit of One Supply per Two Years	290
Exceeding Limit of One Supply per Medical Event	146 ¹
Total	584

¹ The test originally included 149 payments; however, we subsequently confirmed with the MCE data that an adjustment was made to three of the services resulting in no payment to Advanced Technology.

A notification letter was sent to Advanced Technology setting forth the purpose and scope of the examination. During the entrance conference, Advanced Technology 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 Advanced Technology 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 3**. While certain services had more than one error, only one finding was made per service. The non-compliance and basis for findings is discussed below in further detail.

Table 3: Results				
Exception Tests	Payments Examined	Non-compliant Payments	Non-compliance Errors	Improper Payment
Potential Duplicate Services	3	3	6	\$212.36
Exceeding Limit of Two Supplies per Year	18	0	0	\$0.00
Exceeding Limit of One Supply per 180 Days	127	7	12	\$198.66
Exceeding Limit of One Supply per Two Years	290	132	160	\$10,932.27
Exceeding Limit of One Supply per Medical Event	146	26	30	\$2,248.94
Total	584	168	208	\$13,592.23

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 owners and 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 and confirmation that the individual or individual's representative has been instructed on the safe use of the DME item. 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 and instruction from Advanced Technology 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 performed.

Potential Duplicate Services Exception Test

The three payments examined consisted of one recipient in which three supplies were reimbursed to both Advanced Technology and another Medicaid provider on the same service date. There was no proof of delivery to support the payments. These three errors are included in the improper payment amount of \$212.36.

Exceeding Limit of Two Supplies per Year Exception Test

All 18 payments examined were supported by a proof of delivery.

Exceeding Limit of One Supply per 180 Days Exception Test

The 127 payments examined contained five instances in which there was no proof of delivery which were included in the improper payment of \$198.66.

There were also two instances in which the instructions provided contained no confirmation they were provided to the recipient nor did they contain a date. We did not associate an improper payment with these payments.

Exceeding Limit of One Supply per Two Years Exception Test

The 290 payments examined contained nine instances in which there was no proof of delivery which were included in the improper payment of \$10,932.27.

There were also seven instances in which the instructions provided contained no confirmation they were provided to the recipient nor did they contain a date. We did not associate an improper payment with these payments.

Exceeding Limit of One Supply per Medical Event Exception Test

The 146 payments examined contained one instance in which there was no proof of delivery which is included in the improper payment of \$2,248.94.

There was also one instance in which the instructions provided contained no confirmation they were provided to the recipient nor did they contain a date. We did not associate an improper payment with this payment.

Recommendation

Advanced Technology should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. Advanced Technology should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

C. Service Authorization

Per Ohio Admin. Code 5160-10-01, 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.

We obtained CMNs from Advanced Technology to confirm that the CMN complied with the requirements effective on the date of service.

Potential Duplicate Services Exception Test

All three payments examined had no CMN to support the payment which were included in the improper payment amount of \$212.36.

Exceeding Limit of Two Supplies per Year Exception Test

All 18 payments examined were supported by a signed CMN.

Exceeding Limit of One Supply per 180 Days Exception Test

The 127 payments examined contained five instances in which there was no CMN to support the payment which were included in the improper payment amount of \$198.66.

Exceeding Limit of One Supply per Two Years Exception Test

The 290 payments examined contained 24 instances in which there was no CMN to support the payment which were included in the improper payment amount of \$10,932.27.

Exceeding Limit of One Supply per Medical Event Exception Test

The 146 payments examined contained 15 instances in which there was no CMN to support the payment which were included in the improper payment amount of \$2,248.94.

Recommendation

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

D. Medicaid Coverage

Per the Appendix to Ohio Admin. Code 5160-10-01 (effective July 1, 2021)³, prior authorization is required when the frequency limit is exceeded for limit-based supplies. For certain DME supplies that can be dispensed in multiple units (such as items with a left/right orientation), a frequency limit applies to each unit that is requested. We requested support for prior authorization from Advanced Technology for the selected payments below.

Exceeding Limit of One Supply per Two Years Exception Test

The 290 payments examined consisted of 151 instances in which the frequency limit of one supply per two years as specified in Ohio Admin. Code 5160-10-01 was exceeded for items that were limit-based. In 20 instances, we determined the supply was for a different orientation and 11 instances in which there was either no documentation or proof of delivery to support the initial supply; therefore, prior authorization was not required. For the remaining 120 instances, there was no prior authorization to support the medical necessity. These 120 errors are included in the improper payment amount of \$10,932.27.

Exceeding Limit of One Supply per Medical Event Exception Test

The 146 payments examined consisted of 38 instances in which the frequency limit of one supply per medical event as specified in Ohio Admin. Code 5160-10-01 was exceeded for items that were limit based⁴. In 25 instances, we determined the supply was for a different orientation or medical event and prior authorization was not required. For the remaining 13 instances, there was no prior authorization to support the medical necessity. These 13 errors are included in the improper payment amount of \$2,248.94.

Recommendation

Advanced Technology should implement a quality review process to ensure that billing practices fully comply with requirements contained in the Ohio Medicaid rules. In addition, Advanced Technology should ensure that services billed to Medicaid are consistent with the benefits covered by the program. Advanced Technology should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

Official Response

Advanced Technology declined to submit an official response to the results noted above.

³ We confirmed with the Department the same prior authorization requirements were in effect for our examination period prior to July 1, 2021.

⁴ These instances were limited to procedure codes L4360 and L4396.

OHIO AUDITOR OF STATE KEITH FABER



ADVANCED TECHNOLOGY OF KENTUCKY, INC.

OUT OF STATE 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 9/19/2024

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