DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Memorandum

Date NOV 20 2000

From June Gibbs Brown
Inspector General

Subject Office of Inspector General Partnership with the State of Ohio, Office of the Auditor's Report on *Review of Medicaid Provider Reimbursements made to Crest Transportation Service* (A-05-00-00091)

To Michael Hash
Acting Administrator
Health Care Financing Administration

This memorandum transmits the final audit report entitled, *Review of Medicaid Provider Reimbursements made to Crest Transportation Service,* prepared by the State of Ohio's Office of the Auditor (State Auditor) covering inappropriate Medicaid payments made during the period January 1, 1996 through March 31, 2000. The objective of the audit was to determine whether the provider's claims for Medicaid reimbursement of transportation services were in compliance with regulations and, if not, to calculate the overpayment resulting from non-compliance.

The State Auditor provided the report to us in connection with our coordination of the Office of Inspector General's (OIG) partnership efforts with the State agencies having oversight responsibilities for the Medicaid program. The State Auditor developed the issue, performed the audit, and provided their results for our distribution and Departmental recovery action. The information contained in the report is provided to alert the Health Care Financing Administration (HCFA) of a Medicaid overpayment issue in Ohio.

The State Auditor reported that the provider, Crest Transportation Service, was unable to provide the documentation requested on any of the 135 transportation services randomly selected from the population of 66,811 transportation services billed during the audit period. Because of the lack of documentation--no support that trips occurred, missing physicians' certifications to support the medical necessity of any trips, and other evidence--the State Auditor questioned $1,001,675 million (Federal share approximately $590,000) in provider reimbursements during the audit period.

The State Auditor recommended that the Ohio Department of Human Services (ODHS):

- Determine whether the overpayments constitute fraud and abuse in accordance with section 5101:3-1-29 of the Ohio Administrative Code and initiate proceedings to recoup all or part of the identified overpayments, and

- Consider termination of the provider's Medicaid agreement.

The provider generally disagreed with the findings of the report but did not provide additional documentation to support the claims for reimbursement. As with all audit reports developed by non-federal auditors, we are providing an attachment, listing the coded recommendations for HCFA to use to resolve the findings and recommendations. In this regard, we have performed sufficient work to satisfy ourselves that the attached audit report can be relied upon and used by HCFA in meeting its program oversight responsibilities.

We were advised by ODHS Surveillance and Utilization Review Section that the case has been referred to the Ohio Medicaid Fraud Control Unit for legal action. In addition, we were told that ODHS stopped all payments to the provider and terminated the Medicaid agreement. The official also said that because of bank liens on all of the provider's assets, any monetary recovery was unlikely.

We plan to share this report with other State Medicaid agencies in an effort to encourage their participation in the OIG's partnership efforts. If you have any questions about the review, please contact me or have your staff contact George M. Reeb, Assistant Inspector General for Health Care Financing Audits, at (410) 786-7104.

Attachment

Attachment
CIN A-05-00-00091

Summary of Recommendations

Recommendation Codes	Page	Amount	Resolution Agency	Recommendations
20400903	7	$1 million	HHS/HCFA	ODHS should initiate proceedings to recoup all or part of the identified overpayment and, as recovered, make adjustments for the Federal share on its Quarterly Report of Federal Expenditures to HCFA.
30792111	7	N/A	HHS/HCFA	ODHS should determine whether the provider's Medicaid agreement should be terminated.

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements made to Crest Transportation Service

A Compliance Review by the

Fraud, Waste and Abuse Prevention Division

June 2000 *AOS/FWAP-00-036C*

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Ms. Jacqueline Romer-Sensky, Director
Ohio Department of Human Services
30 East Broad Street, 32nd Floor
Columbus, Ohio 43266-0423

Dear Director Romer-Sensky:

We have completed our review of selected medical services rendered to Medicaid recipients by Crest Transportation Services, Inc. (Medicaid Provider #0207798), for the period January 1, 1996 to March 31, 2000. We identified $1,001,694.70 in overpayments, which resulted from Medicaid claims submitted by the Provider for services that did not meet reimbursement rules under the Ohio Medicaid Transportation Manual and the Ohio Administrative Code.

We are sending this report to you because we believe the circumstances meet the criteria for fraud and abuse as defined in Section 5101:3-1-29 of the Ohio Administrative Code. Our preliminary results prompted the Department's Surveillance and Utilization Review Section to suspend future Medicaid payments to the Provider. In addition, we found that the owner of Crest Transportation Services, Inc. is also a Medicaid recipient and has received almost $590,000 in Medicaid benefits over the last 7 years.[1] Therefore, we are recommending follow up actions for the Department's consideration.

Copies of this report are also being sent the Attorney General's Health Care Fraud Section. 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

June 29, 2000

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ABBREVIATIONS

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
ODHS	Ohio Department of Human Services
OAC	Ohio Administrative Code
ORC	Ohio Revised Code
TCN	Transaction Control Number

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SUMMARY OF RESULTS

The Auditor of State performed a review of Crest Transportation Service, Provider #0207798, doing business at 4969 Commerce Parkway, Warrensville Heights, Ohio 44128. Overpayments amounting to $1,001,694.70 were identified. The cited funds are recoverable as they resulted from Medicaid claims submitted by Crest Transportation Service for services not meeting program / 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 Human Services (ODHS), 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. ODHS administers the Medicaid program. The rules and regulations providers must follow are issued by ODHS in the form of a Ohio Medicaid Provider Handbook.

ODHS' Medicaid Provider Handbook, Chapter 3334, General Information, Section II, Subsection (B), 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 ODHS' Transportation Services Handbook, which is part of the Ohio Medicaid Provider Handbook.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and the Ohio Administrative Code, 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 from the date of receipt of payment based upon those records or until any initiated audit is completed, whichever is longer."

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 on March 31, 2000 they had been selected for a compliance review. An Entrance Conference was held on April 18, 2000 with Maxine Joiner, Secretary and Alford Sweeny. Mr. Raymond Wright, Owner, was not present for this Entrance Conference, but was interviewed later by telephone.

We utilized ODHS' Ohio Medicaid Provider Handbook and the Ohio Administrative Code as guidance in determining the extent of services and applicable reimbursement rates. We obtained the provider's claims history from ODHS' 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],
- Health Care Financing Administration's[2] (HCFA) Common Procedural Coding System (HCPCS), and
- ODHS' 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, 1996 though March 31, 2000. The provider billed for and was reimbursed $1,001,694.70 for 66,811 transportation services during our audit period. In order to facilitate an accurate and timely review of claims, a statistical random sample of 135 Transaction Control Numbers (TCNs), which is the identifier for a transportation service bill for one recipient, was taken.

We examined the amounts reimbursed by ODHS and requested an on-site record review. In order to perform this review we requested the provider gather the following documents:

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

[2]HCFA has federal oversight of the Medicaid program.

- A trip log which states the date of service, time of call, name(s) of attendant(s), time of pickup, name(s) of client(s), name of driver and certification number, departure/destination, and loaded mileage.

- The original ODHS 3452 Physician's Certification form documenting the medical necessity of the transport.

- Copies of applicable ODHS 3142 Prior Authorization Request forms.

- 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 training program. Additionally, qualifications of each driver's comport with local, state and federal laws and regulations.

Work on this audit was performed in accordance with generally accepted government auditing standards.

FINDINGS

The provider was unable to provide the documentation requested for any of the selected services in our sample. The lack of documentation to support that trips occurred, the lack of physicians' certifications to support the medical necessity of any trips, and other evidence detailed below caused us to question all of the reimbursements made to the Provider during our review period. Therefore, we identified overpayments in the amount of $1,001,694.70.

Billed Services Not Documented

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.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section V, Subsection B(6), (OAC Section 5101:3-198), overpayments, duplicate payments or payments for services not rendered are recoverable by the department at the time of discovery.

Pursuant to OAC Section 5101:3-15-05[3], medical transportation providers must maintain records which fully describe the extent of services provided. According to this section, one of the records that must be maintained is the run sheet which states the date of service, time of call, name(s) of attendant(s), time of pickup, name(s) of client(s), name of driver departure/destination, and loaded mileage.

[3] This section was repealed and amended as part of OAC Section 5101:3-15-02 effective 03/01/00.

The Provider owner stated that he shredded run sheets after each day's runs and thus had not retained any run sheets to support the ambulette services billed to Medicaid during the audit period. He added that the only information retained was a computer record of his daily schedule for the latest year. These schedules only included recipient names, pick up times, and pick up and destination address and did not have any of the other required information stated above. Because the Provider did not maintain the required documents, we were unable to confirm that the services were actually rendered.

Missing Physician's Certifications

Pursuant to OAC Section 5101:3-15-02 (see footnote 3) states "A physician must certify on the ODHS 3452 Physician Certification all ambulance and ambulette/ wheelchair vehicle transportation services to be medically necessary. The physician certification must state the medical problems which contraindicate transportation by any other means on the date of transport." This certification record serves as the document to validate the medical necessity of the transportation service. In addition this form must be signed by a physician or a registered nurse, under verbal orders from a physician.

The physician certification is analogous to a physician's order or a prescription. Just as a prescription/order is required for a pharmacy to dispense medications and must be maintained as a record kept 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 Provider was unable to supply Physician's Certifications for the recipients in our sample. The Provider explained that he did not retain certifications because he attached the certifications to claims sent to ODHS for payment. Although this procedure is clearly not in accordance with requirements for proper documentation, we attempted to recover from ODHS any certifications that might have been received by claims processing staff. The manager of the claims processing unit said; however, that since they do not require that physicians' certifications be filed with payment claims, they would not have retained the information.

Other information from the Provider indicated that his process of obtaining Physicians' Certifications would have been unacceptable, even if he had been able to produce the certifications. The provider generates his own physician certification form based on a telephone call made to request transportation for a recipient. The form does not include the medical condition of the patient and is often marked "ambulatory with assistance" and "can be safely transported in a wheelchair." We noted that the provider often uses the block marked Physician's Signature to enter the name or address of the facility to which the recipient is to be transported. Once these forms were completed by the Provider, the Provider had someone at the facility where the recipient was taken sign the form. During our Entrance Conference, one of the drivers indicated that the person who often signs the Physicians' Certification form is a counselor at a workshop setting or other leader from an adult daycare center.

Many Recipients May Have Been Ambulatory

The Ohio Medicaid Transportation Manual, Section, AMB 1104 states... "ambulette services are only covered for recipients who are nonambulatory. For purposes of ambulette transport, nonambulatory is defined as those handicapping or temporarily disabling conditions which preclude transportation in standard passenger vehicles."

The absence of valid physician certifications, which should state the condition of the patient at the time of transport, made it difficult to determine if transports were provided to patients who were not eligible ambulette transports, because they were ambulatory. However, we requested the Provider's scheduling sheets for the dates of service in 1999 that were included in our sample. These schedules showed that only one of the 66 recipients in our sample during 1999, required a wheelchair. Other evidence from on-site interviews showed that the Provider typically had only a few wheelchair transports per week, and that the majority of recipients transported were ambulatory.

The Provider/owner acknowledged that many of his transports were ambulatory; however, he stated that they still required ambulette transport because they were mentally disabled and unable to use public transportation. While we would agree that these transports may not have been able to use public transportation, the costs of their transportation were not eligible for Medicaid reimbursement according to the OAC Section 5101:3-15-02, which states Ambulette services are only covered for recipients who are nonambulatory. Other funding sources such as local level community based services are to be used for transporting mentally disabled, but ambulatory, recipients.

Multiple Transports Billed as Individual Transports

The Ohio Medicaid Transportation Manual, Section AMB 1107.2, states "Ambulance/ambulette providers should use the multiple transport codes when billing for multiple passengers". The Provider's scheduling sheets for 1999 showed numerous instances where different passengers were to be picked up from the same place, at the same time and the by the same vehicle, providing strong evidence that multiple passengers were being transported at the same time in the same vehicle. These instances should have been billed as multiple transports by the Provider; however, the Provider consistently billed for higher rate, round trip single transports. We were unable to quantify the extent this occurred because the Provider did not document trips other than on schedule sheets, and schedule sheets were not available for transports prior to 1999.

Provider Agreement is Not Current

Section 5101:3-15-01 of the OAC requires that a provider agreement be in effect for a transportation provider to be eligible to participate in the Medicaid program. The provider agreement is a contract between the Ohio Department of Human Services and the person who signs the provider agreement. The provider agreement states that the provider will inform the Ohio Department of Human Services within thirty days of any changes in licensure, certification or registration status, ownership,

speciality additions, deletions, or replacements in group membership and hospital-based physicians and address.

Crest Transportation was granted a Provider Agreement to transport Medicaid recipients on January 15, 1996. However, the provider agreement on file with the Ohio Department of Human Services was signed by a person who was not named on the Incorporation papers for Crest Transportation, Inc. filed with the Secretary of State. The Provider owner stated that the agreement signatory was a former co-owner, but was "no longer" associated with the business. In addition, the address listed on the provider agreement is not the address where Crest is currently conducting business.

Recipients Not Transported for Medicaid Services

Section 5101:3-15-02 of the OAC requires that transportation services be to a Medicaid-covered service. We used a computer program that matched each claimed transport service with a other Medicaid covered services provided to the recipient transport on the date of transport. Based on this computer program we determined that 37 of the 87 individuals in our sample did not have a corresponding Medicaid covered service on the date of transport. The provider stated that many of the transports he performed were to workshop settings for the Mentally disabled.

Provider Owner Also Receives Medicaid Benefits

During the course of our review, we determined that Crest Transportation had been reimbursed by Medicaid for transporting the owner of the company. During the audit period, the Provider was transported 161 times and reimbursed $2,376.85 for these transports. Further review determined that the owner was a Medicaid recipient and had received $586,887.18 in medical services between July 1993 and March 2000 . The owner explained that while he receives $12,000 in dividends annually as a result of his ownership of Crest Transportation, Inc., all other proceeds are retained by the company. Therefore, he believes he is eligible to receive Medicaid benefits.

CONCLUSIONS

A draft report was mailed to the provider on May 31, 2000. The Provider was given ten (10) business days from receipt of the draft to provide additional documentation or otherwise respond in writing. The Provider responded in a letter dated June 7, 2000. Representatives from AOS and ODHS' Surveillance and Utilization Review Section also spoke with the Provider owner on June 13, 2000 to give the Provider further opportunity to explain the basis for his claims. The Provider's explanatory comments are included in the report where appropriate; however, because no additional documentation was provided, the overpayment amount remained unchanged at $1,001,674.70. The Provider is aware of the final overpayment amount and reason for the overpayments. In addition, the Provider is aware this matter will be referred to the Ohio Department of Human Services for recoupment.

RECOMMENDATIONS

As a result of our review results, ODHS' Surveillance and Utilization Review Section suspended Medicaid payments to the Provider, pending resolution of the matters discussed in this report. We are also recommending that the Department

- Determine whether the overpayments constitute fraud and abuse in accordance with Section 5101:3-1-29 of the Ohio Administrative Code and initiate proceedings to recoup all or part of the identified overpayment;
- Determine whether the Provider's Medicaid agreement should be terminated; and
- Require that the Cuyahoga County Department of Human Services investigate the Medicaid eligibility of the Provider owner.

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OFFICE OF THE AUDITOR

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800-282-0370

Facsimile 614-466-4490

CREST TRANSPORTATION SERVICES

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
JUNE 29, 2000

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Medicaid Provider Reimbursements made to Crest Transportation Service

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June 2000 *AOS/FWAP-00-036C*

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30 East Broad Street, 32nd Floor
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We are sending this report to you because we believe the circumstances meet the criteria for fraud and abuse as defined in Section 5101:3-1-29 of the Ohio Administrative Code. Our preliminary results prompted the Department's Surveillance and Utilization Review Section to suspend future Medicaid payments to the Provider. In addition, we found that the owner of Crest Transportation Services, Inc. is also a Medicaid recipient and has received almost $590,000 in Medicaid benefits over the last 7 years.[1] Therefore, we are recommending follow up actions for the Department's consideration.

Copies of this report are also being sent the Attorney General's Health Care Fraud Section. 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

June 29, 2000

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FINDINGS

The provider was unable to provide the documentation requested for any of the selected services in our sample. The lack of documentation to support that trips occurred, the lack of physicians' certifications to support the medical necessity of any trips, and other evidence detailed below caused us to question all of the reimbursements made to the Provider during our review period. Therefore, we identified overpayments in the amount of $1,001,694.70.

Billed Services Not Documented

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The physician certification is analogous to a physician's order or a prescription. Just as a prescription/order is required for a pharmacy to dispense medications and must be maintained as a record kept 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 Provider was unable to supply Physician's Certifications for the recipients in our sample. The Provider explained that he did not retain certifications because he attached the certifications to claims sent to ODHS for payment. Although this procedure is clearly not in accordance with requirements for proper documentation, we attempted to recover from ODHS any certifications that might have been received by claims processing staff. The manager of the claims processing unit said; however, that since they do not require that physicians' certifications be filed with payment claims, they would not have retained the information.

Other information from the Provider indicated that his process of obtaining Physicians' Certifications would have been unacceptable, even if he had been able to produce the certifications. The provider generates his own physician certification form based on a telephone call made to request transportation for a recipient. The form does not include the medical condition of the patient and is often marked "ambulatory with assistance" and "can be safely transported in a wheelchair." We noted that the provider often uses the block marked Physician's Signature to enter the name or address of the facility to which the recipient is to be transported. Once these forms were completed by the Provider, the Provider had someone at the facility where the recipient was taken sign the form. During our Entrance Conference, one of the drivers indicated that the person who often signs the Physicians' Certification form is a counselor at a workshop setting or other leader from an adult daycare center.

Many Recipients May Have Been Ambulatory

The Ohio Medicaid Transportation Manual, Section, AMB 1104 states... "ambulette services are only covered for recipients who are nonambulatory. For purposes of ambulette transport, nonambulatory is defined as those handicapping or temporarily disabling conditions which preclude transportation in standard passenger vehicles."

The absence of valid physician certifications, which should state the condition of the patient at the time of transport, made it difficult to determine if transports were provided to patients who were not eligible ambulette transports, because they were ambulatory. However, we requested the Provider's scheduling sheets for the dates of service in 1999 that were included in our sample. These schedules showed that only one of the 66 recipients in our sample during 1999, required a wheelchair. Other evidence from on-site interviews showed that the Provider typically had only a few wheelchair transports per week, and that the majority of recipients transported were ambulatory.

The Provider/owner acknowledged that many of his transports were ambulatory; however, he stated that they still required ambulette transport because they were mentally disabled and unable to use public transportation. While we would agree that these transports may not have been able to use public transportation, the costs of their transportation were not eligible for Medicaid reimbursement according to the OAC Section 5101:3-15-02, which states Ambulette services are only covered for recipients who are nonambulatory. Other funding sources such as local level community based services are to be used for transporting mentally disabled, but ambulatory, recipients.

Multiple Transports Billed as Individual Transports

The Ohio Medicaid Transportation Manual, Section AMB 1107.2, states "Ambulance/ambulette providers should use the multiple transport codes when billing for multiple passengers". The Provider's scheduling sheets for 1999 showed numerous instances where different passengers were to be picked up from the same place, at the same time and the by the same vehicle, providing strong evidence that multiple passengers were being transported at the same time in the same vehicle. These instances should have been billed as multiple transports by the Provider; however, the Provider consistently billed for higher rate, round trip single transports. We were unable to quantify the extent this occurred because the Provider did not document trips other than on schedule sheets, and schedule sheets were not available for transports prior to 1999.

Provider Agreement is Not Current

Section 5101:3-15-01 of the OAC requires that a provider agreement be in effect for a transportation provider to be eligible to participate in the Medicaid program. The provider agreement is a contract between the Ohio Department of Human Services and the person who signs the provider agreement. The provider agreement states that the provider will inform the Ohio Department of Human Services within thirty days of any changes in licensure, certification or registration status, ownership,

speciality additions, deletions, or replacements in group membership and hospital-based physicians and address.

Crest Transportation was granted a Provider Agreement to transport Medicaid recipients on January 15, 1996. However, the provider agreement on file with the Ohio Department of Human Services was signed by a person who was not named on the Incorporation papers for Crest Transportation, Inc. filed with the Secretary of State. The Provider owner stated that the agreement signatory was a former co-owner, but was "no longer" associated with the business. In addition, the address listed on the provider agreement is not the address where Crest is currently conducting business.

Recipients Not Transported for Medicaid Services

Section 5101:3-15-02 of the OAC requires that transportation services be to a Medicaid-covered service. We used a computer program that matched each claimed transport service with a other Medicaid covered services provided to the recipient transport on the date of transport. Based on this computer program we determined that 37 of the 87 individuals in our sample did not have a corresponding Medicaid covered service on the date of transport. The provider stated that many of the transports he performed were to workshop settings for the Mentally disabled.

Provider Owner Also Receives Medicaid Benefits

During the course of our review, we determined that Crest Transportation had been reimbursed by Medicaid for transporting the owner of the company. During the audit period, the Provider was transported 161 times and reimbursed $2,376.85 for these transports. Further review determined that the owner was a Medicaid recipient and had received $586,887.18 in medical services between July 1993 and March 2000 . The owner explained that while he receives $12,000 in dividends annually as a result of his ownership of Crest Transportation, Inc., all other proceeds are retained by the company. Therefore, he believes he is eligible to receive Medicaid benefits.

CONCLUSIONS

A draft report was mailed to the provider on May 31, 2000. The Provider was given ten (10) business days from receipt of the draft to provide additional documentation or otherwise respond in writing. The Provider responded in a letter dated June 7, 2000. Representatives from AOS and ODHS' Surveillance and Utilization Review Section also spoke with the Provider owner on June 13, 2000 to give the Provider further opportunity to explain the basis for his claims. The Provider's explanatory comments are included in the report where appropriate; however, because no additional documentation was provided, the overpayment amount remained unchanged at $1,001,674.70. The Provider is aware of the final overpayment amount and reason for the overpayments. In addition, the Provider is aware this matter will be referred to the Ohio Department of Human Services for recoupment.

RECOMMENDATIONS

As a result of our review results, ODHS' Surveillance and Utilization Review Section suspended Medicaid payments to the Provider, pending resolution of the matters discussed in this report. We are also recommending that the Department

- Determine whether the overpayments constitute fraud and abuse in accordance with Section 5101:3-1-29 of the Ohio Administrative Code and initiate proceedings to recoup all or part of the identified overpayment;
- Determine whether the Provider's Medicaid agreement should be terminated; and
- Require that the Cuyahoga County Department of Human Services investigate the Medicaid eligibility of the Provider owner.

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CREST TRANSPORTATION SERVICES

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
JUNE 29, 2000