



Office of the  
Medicaid Inspector  
General

ANDREW M. CUOMO  
Governor

DENNIS ROSEN  
Acting Medicaid Inspector General

April 16, 2015

[REDACTED]  
Garden Court Surgical  
& Hospital Supply Corporation  
9131 Bedell Lane  
Brooklyn, New York 11236

Final Audit Report

Audit # 08-3340

Provider ID # [REDACTED]

Dear [REDACTED]:

This letter will serve as our final audit report of the recently completed review of payments made to Garden Court Surgical & Hospital Supply Corporation (the Provider) under the New York State Medicaid Program.

The New York State Department of Health is responsible for the administration of the Medicaid program. As part of this responsibility, the Office of the Medicaid Inspector General (OMIG) conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at assessing provider compliance with applicable laws, regulations, rules and policies of the Medicaid program as set forth by the Department of Health [Titles 10 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (10 NYCRR, 18 NYCRR)] and the Medicaid Management Information System (MMIS) Provider Manuals.

Department regulations define durable medical appliances, equipment and supplies (DME) as follows: durable medical equipment is devices and equipment, other than prosthetic and orthotic appliances, which have been ordered by a practitioner in the treatment of a specific medical condition. Medical/surgical supplies are items for medical use other than drugs, prosthetic or orthotic appliances, durable medical equipment or orthopedic footwear, which have been ordered by a practitioner in the treatment of a specific medical condition. Orthotic appliances and devices are those used to support a weak or deformed body member, or to restrict or eliminate motion in a diseased or injured part of the body. Prosthetic appliances and devices (excluding artificial eyes and dental prostheses) are those ordered by a qualified practitioner, which replace any missing part of the body. Orthopedic footwear is shoes, shoe modifications, or shoe additions used to correct, accommodate or prevent a physical deformity or range of motion malfunction in a diseased part of the ankle or foot, or to form an integral part of a brace. The specific standards and criteria pertaining to DME are outlined in Title 18 NYCRR Section 505.5 and the MMIS Provider Manual for Durable Medical Equipment et al.

A review of payments to the Provider for DME services paid by Medicaid for New York City recipients from January 1, 2006, through December 31, 2007, was recently completed. During the audit period, \$3,099,147.61 was paid for services rendered to 2,910 patients. This review consisted of a random sample of 100 patients with Medicaid payments of \$107,274.35. The purpose of this audit was to verify that: durable medical appliances, equipment and supplies (DME) were properly authorized by a licensed practitioner; Medicaid reimbursable equipment, supplies and services were rendered for the dates billed; appropriate procedure codes were billed for equipment, supplies and services rendered; vendor records contained the documentation required by the regulations; and claims for payment were submitted in accordance with Department regulations and the Provider Manuals for Durable Medical Equipment.

The Provider's failure to comply with Title(s) 10, or 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (NYCRR) and the MMIS Provider Manual for Durable Medical Equipment resulted in a total sample overpayment of \$17,403.85.

The statistical sampling methodology employed allows for extrapolation of the sample findings to the universe of cases (18 NYCRR Section 519.18). The adjusted mean per unit point estimate of the amount overpaid is \$81,880. The adjusted lower confidence limit of the amount overpaid is \$51,540. We are 95% certain that the actual amount of the overpayment is greater than the adjusted lower confidence limit (Exhibit I). This audit may be settled through repayment of the adjusted lower confidence limit of \$51,540.

The following detailed findings reflect the results of our audit. This audit report incorporates consideration of any additional documentation and information presented in response to the revised draft audit report dated July 22, 2014. The attached Bridge Schedule indicates any changes to the findings as a result of your response.

## **DETAILED FINDINGS**

In addition to any specific detailed findings, rules and/or regulations which may be listed below, the following regulations pertain to all audits:

Regulations state: "By enrolling the provider agrees: (a) to prepare and to maintain contemporaneous records demonstrating its right to receive payment . . . and to keep for a period of six years from the date the care, services or supplies were furnished, all records necessary to disclose the nature and extent of services furnished and all information regarding claims for payment submitted by, or on behalf of, the provider . . . (e) to submit claims for payment only for services actually furnished and which were medically necessary or otherwise authorized under the Social Services Law when furnished and which were provided to eligible persons; (f) to submit claims on officially authorized claim forms in the manner specified by the department in conformance with the standards and procedures for claims submission; . . . (h) that the information provided in relation to any claim for payment shall be true, accurate and complete; and (i) to comply with the rules, regulations and official directives of the department."  
*18 NYCRR Section 504.3*

Regulations state: "Fee-for-service providers. (1) All providers ... must prepare and maintain contemporaneous records demonstrating their right to receive payment . . . All records necessary to disclose the nature and extent of services furnished and the medical necessity therefor ... must be kept by the provider for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later. (2) All information regarding claims for payment submitted by or on behalf of the provider is subject to audit for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later, and must be furnished, upon request, to the department ... for audit and review."  
*18 NYCRR Section 517.3(b)*

Regulations require that bills for medical care, services and supplies contain patient name, case number and date of service; itemization of the volume and specific types of care, services and supplies provided; the unit price and total cost of the care, services and supplies provided; and a dated certification by the provider that the care, services and supplies itemized have been in fact furnished; that the amounts listed are in fact due and owing; that such records as are necessary to disclose fully the extent of care, services and supplies provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years from the date of payment; and that the provider understands that payment and satisfaction of this claim will be from Federal, State and local public funds and that he or she may be prosecuted under applicable Federal and State laws for any false claims, statements or documents, or concealment of a material fact provided.

*18 NYCRR Section 540.7(a)(1)-(3) and (8)*

Regulations state: "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."

*18 NYCRR Section 518.1(c)*

Regulations state: "Vendor payments for medical care and other items of medical assistance shall not be made unless such care or other items of assistance have been furnished on the basis of the appropriate authorization prescribed by the rules of the board and regulations of the department."

*18 NYCRR Section 540.1*

Regulations state: "The department may require repayment from the person submitting an incorrect or improper claim, or the person causing such claim to be submitted, or the person receiving payment for the claim."

*18 NYCRR Section 518.3(a)*

Regulations state: "The department may require repayment for inappropriate, improper, unnecessary or excessive care, services or supplies from the person furnishing them, or the person under whose supervision they were furnished, or the person causing them to be furnished...."

*18 NYCRR Section 518.3(b)*

Regulations state: "Medical care, services or supplies ordered or prescribed will be considered excessive or not medically necessary unless the medical basis and specific need for them are fully and properly documented in the client's medical record."

*18 NYCRR Section 518.3(b)*

## **1. Ordering Prescriber Conflicts with Claim Prescriber**

Medicaid policy states that the billing provider is to enter the New York State Medicaid ID number of the ordering prescriber on the claim. If the ordering prescriber is not enrolled in Medicaid, enter his/her license number.

When a prescription or order originates from a hospital or clinic, and is written by an intern or resident, the supervising physician's Medicaid ID number should be entered. If the supervising physician is not enrolled in the Medicaid program, his or her state license number may be used instead. When the order is originated in an Article 28 facility and these numbers are unavailable, it is permissible to use the facility's New York State Medicaid ID number.

*NYS Medicaid Program Durable Medical Equipment Manual  
Billing Guidelines, Version 2004-1, Section II*

*NYS Medicaid Program Durable Medical Equipment Manual  
Billing Guidelines, Version 2009-1, Section II*

Regulations state: "The identity of the practitioner who ordered the ...medical/surgical supply, must be recorded by the provider on the claim for payment by entering in the license or MMIS provider identification number of the practitioner where indicated."

*18 NYCRR Section 505.5(c)(1)*

In 226 instances pertaining to 12 patients, the ordering prescriber on the claim conflicts with the ordering prescriber denoted on the fiscal order. This resulted in a sample overpayment of \$13,242.59 (Exhibit II). For this category of findings, OMIG will disallow only the actual amount of the sample overpayment and will not extrapolate the sample findings to the universe of cases.

## **2. Missing Documentation Confirming Receipt/Delivery of Item**

Regulations state, "Written orders for durable medical equipment, medical/surgical supplies, prosthetic or orthotic devices, or orthopedic footwear must be maintained by the provider submitting the claim for audit by the department or other authorized agency for six years from the date of payment."

*18 NYCRR Section 505.5(c)(2)*

Regulations require that the Medicaid provider agrees, "to prepare and to maintain contemporaneous records demonstrating its right to receive payment under the medical assistance program and to keep for a period of six years . . . all records necessary to disclose the nature and extent of services furnished. . . ."

*18 NYCRR Section 504.3(a)*

Regulations also require that bills for medical care, services and supplies contain a certification that such records as are necessary to disclose fully the services provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years. These records must be furnished to the Department upon request.

*18 NYCRR Section 540.7(a)(8) and Section 517.3*

Medicaid policy states, "For audit purposes, . . . written orders, in addition to other supporting documentation such as invoices and delivery receipts, must be kept on file for six years from the date the service was furnished or billed, whichever is later."

*NYS Medicaid Program Durable Medical Equipment Manual  
Policy Guidelines, Version 2004-1, Section I*

In 19 instances pertaining to 3 patients, documentation confirming receipt/delivery of item was missing. This resulted in a sample overpayment of \$1,031.59 (Exhibit III).

## **3. Missing Information on Written Order**

Regulations state, "All orders must show . . . the name of the recipient for whom ordered."

*18 NYCRR Section 505.5(b)(2)*

Regulations state, "When used in the context of an order for a prescription item, the order must also meet the requirements for a prescription under section 6810 of the Education Law. When used in the context of a nonprescription item, the order must also contain the following information: name of the item, quantity ordered, size, catalog number as necessary, directions for use, date ordered, and number of refills, if any."

*18 NYCRR Section 505.5(b)(3)*

In 14 instances pertaining to 2 patients, the written order did not contain all the required information. In 14 instances, the quantity was missing (Sample #'s 51 and 82). This resulted in a sample overpayment of \$582.61 (Exhibit IV).

4. **Other Insurance Payments Not Applied**

Regulations state, "MA program as payment source of last resort. Where a third party, such as health insurer or responsible person, has a legal liability to pay for MA-covered services on behalf of a recipient, the department or social services will pay only the amount by which the MA reimbursement rate for the services exceeds the amount of the third party liability."

*18 NYCRR Section 360-7.2*

Regulations state, "Any insurance payments including Medicare must be applied against the total purchase price of the item."

*18 NYCRR Section 505.5(d)(1)(v)*

In 6 instances pertaining to 2 patients, a third party insurance payment was not applied against the total purchase price of the item. This resulted in a sample overpayment of \$499.53 (Exhibit V).

5. **Duplicate Payment**

Regulations state, "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."

*18 NYCRR Section 518.1(c)*

Medicaid policy states, "Federal Law and State Regulations require providers to maintain financial and health records necessary to fully disclose the extent of services, care, and supplies provided to Medicaid enrollees."

*NYS Medicaid Program Provider Manual Information for all Providers, Version 2004-1, Section II*

In 4 instances pertaining to 4 patients, the same item was billed more than once. Only one item was documented as being provided. This resulted in a sample overpayment of \$465.87 (Exhibit VI).

6. **Order Refilled More Than 180 Days After It Has Been Initiated by the Prescriber**

Regulations state, "No order can be refilled more than 180 days from the original date ordered."

*18 NYCRR Section 505.5(b)(4)(iii)*

In 6 instances pertaining to 1 patient, the order was refilled more than 180 days after the date initiated by the prescriber. This resulted in a sample overpayment of \$386.86 (Exhibit VII).

7. **Item Billed Does Not Match Ordered Item**

Regulations state, "When used in the context of an order for a prescription item, the order must also meet the requirements for a prescription under section 6810 of the Education Law. When used in the context of a nonprescription item, the order must also contain the following information: name of the item. . . ."

*18 NYCRR Section 505.5(b)(3)*

In 4 instances pertaining to 3 patients, the item billed does not match the ordered item. This resulted in a sample overpayment of \$336.90 (Exhibit VIII).

**8. Quantity Dispensed Exceeded Maximum Monthly Allowance**

Medicaid policy states, "For items listed in section **4.1 Medical/Surgical Supplies** the quantity listed is the maximum allowed per month. If the fiscal order exceeds this amount, the provider must obtain prior approval."

*NYS Medicaid Program Durable Medical Equipment Manual  
Procedure Codes, Version 2008-1, Section 4.0*

In 5 instances pertaining to 2 patients, the quantity dispensed exceeded the monthly maximum quantity allowed. Since no prior approval was provided for these items, the excess quantity over the monthly maximum is disallowed. This resulted in a sample overpayment of \$323.98 (Exhibit IX).

**9. Item Billed in Excess of Quantity Ordered**

Regulations state, "When used in the context of an order for a prescription item, the order must also meet the requirements for a prescription under section 6810 of the Education Law. When used in the context of a nonprescription item, the order must also contain the following information: name of the item, quantity ordered. . . ." *18 NYCRR Section 505.5(b)(3)*

In 14 instances pertaining to 6 patients, the item was billed in excess of the quantity prescribed by the orderer. This resulted in a sample overpayment of \$143.40 (Exhibit X).

**10. Original Order Filled Beyond Acceptable Timeframe**

Medicaid policy states, "An original fiscal order for Medical/Surgical Supplies may not be filled more than 60 days after it has been initiated by the ordering practitioner unless prior approval is required. An original fiscal order for Durable Medical Equipment, Orthotics, Prescription Footwear, and Prosthetics may not be filled more than 180 days after it has been ordered by the ordering practitioner."

*NYS Medicaid Program Durable Medical Equipment Manual  
Fee Schedule, Version 2005-1, Section 4.0*

In 4 instances pertaining to 2 patients, the original order was filled after 60 days lapsed or after the timeframe listed on the prior approval. This resulted in a sample overpayment of \$101.10 (Exhibit XI).

**11. Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills**

Regulations state, "The maximum number of refills permitted for medical/surgical supplies is found in the fee schedule for durable medical equipment, medical/surgical supplies, orthotic and prosthetic appliance and orthopedic footwear."

*18 NYCRR Section 505.5(b)(4)(ii)*

Medicaid policy states, "The maximum quantity of refills is noted in Section 4.1 of this manual."

*NYS Medicaid Program Durable Medical Equipment Manual  
Policy Guidelines, Version 2004-1, Section III*

In 7 instances pertaining to 2 patients, the maximum number of refills for the medical/surgical item was exceeded. This resulted in a sample overpayment of \$99.35 (Exhibit XII).

**12. Incorrect Procedure Code Billed**

Regulations state, "Payment for purchase of durable medical equipment must not exceed the lower of: (a) the maximum reimbursable amount as shown in the fee schedule for durable medical equipment, medical/surgical supplies, orthotics and prosthetic appliances and orthopedic footwear; the maximum reimbursable amount will be determined for each item of durable medical equipment based on an average cost of products representative of that item."

*18 NYCRR Section 505.5(d)(2)(i)(a)*

Regulations state, "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."

*18 NYCRR Section 518.1(c)*

Medicaid policy requires the use of the fee schedules for durable medical equipment, medical/surgical supplies, orthotic and prosthetic appliances and orthopedic footwear as contained in the NYS Medicaid Program Durable Medical Equipment Manual Procedure Codes, Version 2004-1, Section 4.0.

*NYS Medicaid Program Durable Medical Equipment Manual  
Policy Guidelines, Version 2004-1, Section III*

In 1 instance, the incorrect procedure code was billed which resulted in a higher reimbursement than indicated in the fee schedule for the proper procedure code. This resulted in a sample overpayment of \$81.65 (Exhibit XIII).

**13. No Written Order**

Regulations state, "All durable medical equipment, medical/surgical supplies, may be furnished only upon a written order of a practitioner."

*18 NYCRR Section 505.5(b)(1)*

Medicaid policy states, "All medical/surgical supplies, durable medical equipment . . . must be supported by the original, signed written order of a licensed physician, dentist, podiatrist, physician assistant or nurse practitioner."

*NYS Medicaid Program Durable Medical Equipment Manual  
Policy Guidelines, Version 2004-1, Section III*

In 7 instances pertaining to 2 patients, the written order for the item(s) provided was missing. This resulted in a sample overpayment of \$75.22 (Exhibit XIV).

**14. Improper Medicaid Billings for Medicare Crossover Patients**

Regulations state, "MA program as payment source of last resort. Where a third party, such as health insurer or responsible person, has a legal liability to pay for MA-covered services on behalf of a recipient, the department or social services will pay only the amount by which the MA reimbursement rate for the services exceeds the amount of the third party liability."

*18 NYCRR Section 360-7.2*

Regulations state, "The MA program will pay on behalf of qualified Medicare beneficiaries...the full amount of any deductible and coinsurance costs incurred under Part A or B of Title XVIII of the Social Security Act (Medicare)."

*18 NYCRR Section 360-7.7(a)*

Medicaid policy requires that, for items provided to Medicaid recipients who are also Medicare beneficiaries, "All charges must first be billed to Medicare. Only after an Explanation of Medical Benefits (EOB) is received from the Medicare intermediary and payment made, where appropriate, may a claim be submitted for Medicaid reimbursement. The provider must maintain the EOB on file for six years following the date of payment for audit purposes."

*NYS Medicaid Program Durable Medical Equipment Manual  
Policy Guidelines, Version 2004-1, Section III*

Medicaid policy also states that, "Medicaid is required to pay the Medicare co-insurance and deductible for Medicare covered supplies, equipment and appliances provided to Medicaid recipients who are also Medicare beneficiaries. Medicaid will pay the difference between the Medicare approved amount and the Medicare paid amount."

*NYS Medicaid Program Durable Medical Equipment Manual  
Policy Guidelines, Version 2004-1, Section III*

In 3 instances pertaining to 2 patients, an incorrect Medicaid co-payment was billed for services also paid by Medicare. This resulted in a sample overpayment of \$32.16 (Exhibit XV).

**15. No Explanation of Benefits (EOB)/Documentation for Medicare Covered Items**

Medicaid policy requires that, for items provided to Medicaid recipients who are also Medicare beneficiaries, "All charges must first be billed to Medicare. Only after an Explanation of Medical Benefits (EOB) is received from the Medicare intermediary and payment made, where appropriate, may a claim be submitted for Medicaid reimbursement. The provider must maintain the EOB on file for six years following the date of payment for audit purposes."

*NYS Medicaid Program Durable Medical Equipment Manual  
Policy Guidelines, Version 2004-1, Section III*

Medicaid policy states: Medicaid law and regulations require that, when a recipient is eligible for both Medicare and Medicaid or has other insurance benefits: The provider must bill Medicare or the other insurance first for **covered** services **prior** to submitting a claim to Medicaid.

- If the service is covered, or the provider does not know if the service is covered by Medicare and/or other available insurance, the provider must first submit a claim to Medicare and/or other insurance.
- ***Only when you are certain that Medicare or another insurer does not cover the service, can you bill Medicaid solely, and not bill other insurer first.***

*DOH Medicaid Update December 2005 Vol. 20, No. 13, Office of Medicaid Management*

In 2 instances pertaining to 2 patients, no EOB was found for a Medicare eligible patient who received an item covered by Medicare. This resulted in a sample overpayment of \$1.04 (Exhibit XVI).

Total sample overpayments for this audit amounted to \$17,403.85.

**Additional reasons for disallowance exist regarding certain findings. These findings are identified in Exhibit XVII.**

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below. If you decide to repay the adjusted lower confidence limit amount of \$51,540, one of the following repayment options must be selected within 20 days from the date of this letter:

**OPTION #1:** Make full payment by check or money order within 20 days of the date of the final audit report. The check should be made payable to the New York State Department of Health and be sent with the attached Remittance Advice to:

[REDACTED]  
 New York State Department of Health  
 Medicaid Financial Management, B.A.M.  
 GNARESP Corning Tower, Room 2739  
 File #08-3340  
 Albany, New York 12237-0048

**OPTION #2:** Enter into a repayment agreement with the Office of the Medicaid Inspector General. If your repayment terms exceed 90 days from the date of the final audit report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. If the process of establishing the repayment agreement exceeds 20 days from the date of the final audit report, the OMIG will impose a 50% withhold after 20 days until the agreement is established. OMIG acceptance of the repayment agreement is based on your repaying the Medicaid overpayment as agreed. The OMIG will adjust the rate of recovery, or require payment in full, if your unpaid balance is not being repaid as agreed. In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against any amount owed. If you wish to enter into a repayment agreement, please contact the Bureau of Collections Management within 20 days at the following:

Bureau of Collections Management  
 New York State Office of the Medicaid Inspector General  
 800 North Pearl Street  
 Albany, New York 12204  
 Phone #: [REDACTED]  
 Fax#: [REDACTED]

If you choose not to settle this audit through repayment of the adjusted lower confidence limit, you have the right to challenge these findings by requesting an administrative hearing where the OMIG would seek and defend the adjusted meanpoint estimate of \$81,880. As allowed by state regulations, you must make your request for a hearing, in writing, within sixty (60) days of the date of this report to:

General Counsel  
 Office of Counsel  
 New York State Office of the Medicaid Inspector General  
 800 North Pearl Street  
 Albany, New York 12204

Questions regarding the request for a hearing should be directed to Office of Counsel at [REDACTED].

Issues you may raise shall be limited to those issues relating to determinations contained in the final audit report. Your hearing request may not address issues regarding the methodology used to determine the rate, or any issue that was raised at a proceeding to appeal a rate determination.

At the hearing you have the right to:

- a) be represented by an attorney or other representative, or to represent yourself;
- b) present witnesses and written and/or oral evidence to explain why the action taken is wrong; and
- c) cross examine witnesses of the Department of Health and/or the OMIG.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid Program, take action where appropriate, and recover monies owed through the initiation of a civil lawsuit or other legal mechanisms including but not limited to the recovery of state tax refunds pursuant to Section 206 of the Public Health Law and Section 171-f of the State Tax Law.

Should you have any questions, please contact me at [REDACTED].

Thank you for the cooperation and courtesy extended to our staff during this audit.

Sincerely,

[REDACTED]

Division of Medicaid Audit, Albany  
Office of the Medicaid Inspector General

[REDACTED]

CERTIFIED MAIL # [REDACTED]  
RETURN RECEIPT REQUEST

[REDACTED]

[REDACTED]

[REDACTED]

**NEW YORK STATE  
OFFICE OF THE MEDICAID INSPECTOR GENERAL  
REMITTANCE ADVICE**

**NAME AND ADDRESS OF AUDITEE**

[REDACTED]  
Garden Court Surgical & Hospital Corp.  
9131 Bedell Lane  
Brooklyn, New York 11236

**AMOUNT DUE: \$51,540**

**PROVIDER ID #** [REDACTED]

**AUDIT #08-3340**

AUDIT  
TYPE

PROVIDER  
 RATE  
 PART B  
 OTHER:  
County Demo

**CHECKLIST**

1. To ensure proper credit, please enclose this form with your check.
2. Make checks payable to: *New York State Department of Health*
3. Record the Audit Number on your check.
4. Mail check to:

[REDACTED]  
New York State Department of Health  
Medicaid Financial Management, B.A.M.  
GNARESP Corning Tower, Room 2739  
File #08-3340  
Albany, New York 12237-0048

Thank you for your cooperation.

**GARDEN COURT SURGICAL & SUPPLY CORPORATION  
DURABLE MEDICAL EQUIPMENT AUDIT  
AUDIT # 08-3340  
AUDIT PERIOD: 01/01/06 – 12/31/07**

**EXTRAPOLATION OF SAMPLE FINDINGS**

Sample Overpayments	\$ 17,403.85
<b>Less Overpayments Not Projected*</b>	<u>(15,109.31)</u>
Sample Overpayments for Extrapolation Purposes	\$ 2,294.54
Cases in Sample	100
Overpayments Per Sampled Case	\$ 22.9454
Cases in Universe	2,910
Meanpoint Estimate	\$ 66,771
<b>Add Overpayments Not Projected*</b>	<u>15,109</u>
Adjusted Meanpoint Estimate	<u>\$ 81,880</u>
Lower Confidence Limit	\$ 36,431
<b>Add Overpayments Not Projected*</b>	<u>15,109</u>
Adjusted Lower Confidence Limit	<u>\$ 51,540</u>

\* The actual dollar disallowance for the **"Ordering Prescriber Conflicts with Claim Prescriber"** finding was subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The dollars associated with this finding were not used in the extrapolation.

The asterisked actual dollar disallowances for Sample 35, **"Missing Documentation Confirming Receipt/Delivery of Item"**, were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Samples 51 and 82, "**Missing Information on Written Order**", were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Sample 22, "**Other Insurance Payments Not Applied**", were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Sample 82, "**Medical/Surgical Supplies Provided in Excess of the allowable Number of Refills**", were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Sample 86, "**Order Refilled More Than 180 Days After It Has Been Initiated by the Prescriber**", were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Samples 16, and 55, "**Quantity Dispensed Exceed Maximum Monthly Allowance**", were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Sample 15, "**Item Billed Does Not Match Ordered Item**", was subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Sample 55, "**No Written Order**", were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

The asterisked actual dollar disallowances for Samples 30, and 82, "**Item Billed in Excess of Quantity Ordered**", were subtracted from the total sample overpayment and added to the Meanpoint Estimate and the Lower Confidence Limit. The asterisked amounts for these samples were not used in the extrapolation since these claims stem from the same fiscal order. OMIG will extrapolate only for the first occurrence and any subsequent claims from the sampled fiscal order are not extrapolated.

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: II  
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Ordering Prescriber Conflicts with Claim Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
8	[REDACTED]	[REDACTED]	03/01/07	T4523	\$146.88	\$146.88
			03/01/07	A4927	\$4.55	\$4.55
			04/01/07	A4554	\$84.00	\$84.00
			04/01/07	A4927	\$4.55	\$4.55
			04/01/07	T4523	\$146.88	\$146.88
			06/06/07	A4554	\$84.00	\$84.00
			06/06/07	A4927	\$4.55	\$4.55
			06/06/07	T4523	\$146.88	\$146.88
16	[REDACTED]	[REDACTED]	12/19/05	A4554	\$84.00	\$84.00
			12/19/05	A4927	\$4.55	\$4.55
			12/19/05	T4523	\$146.88	\$146.88
			01/18/06	A4554	\$84.00	\$84.00
			01/18/06	A4927	\$4.55	\$4.55
			01/18/06	T4523	\$146.88	\$146.88
			02/13/06	A4554	\$84.00	\$84.00
			02/13/06	A4927	\$4.55	\$4.55
			02/13/06	T4523	\$146.88	\$146.88
			03/30/06	A4554	\$84.00	\$84.00
			03/30/06	A4927	\$4.55	\$4.55
			03/30/06	T4523	\$146.88	\$146.88
			07/20/06	A4554	\$84.00	\$84.00
			07/20/06	A4927	\$4.55	\$4.55
			07/20/06	T4523	\$146.88	\$146.88
			08/24/06	A4554	\$84.00	\$84.00
			08/24/06	A4927	\$4.55	\$4.55
			08/24/06	T4523	\$146.88	\$146.88
			09/12/06	A4554	\$84.00	\$84.00
			09/12/06	A4927	\$4.55	\$4.55
10/18/06	T4523	\$146.88	\$146.88			
10/18/06	A4927	\$4.55	\$4.55			
10/18/06	A4554	\$84.00	\$84.00			
11/15/06	A4927	\$4.55	\$4.55			
11/15/06	T4523	\$146.88	\$146.88			
11/15/06	A4554	\$84.00	\$84.00			
12/13/06	A4554	\$84.00	\$84.00			
12/13/06	A4927	\$4.55	\$4.55			
12/13/06	T4523	\$146.88	\$146.88			

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: II  
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Ordering Prescriber Conflicts with Claim Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
16	[REDACTED]	[REDACTED]	01/04/07	A4554	\$84.00	\$84.00
			01/04/07	A4927	\$4.55	\$4.55
			02/23/07	A4927	\$4.55	\$4.55
			02/23/07	A4554	\$84.00	\$84.00
			03/21/07	A4554	\$84.00	\$84.00
			03/21/07	A4927	\$4.55	\$4.55
			04/13/07	A4927	\$4.55	\$4.55
			04/13/07	T4540	\$21.57	\$21.57
			04/13/07	T4537	\$40.32	\$40.32
			04/13/07	T4523	\$146.88	\$146.88
			04/13/07	A4554	\$84.00	\$84.00
			04/13/07	T4535	\$70.00	\$70.00
			05/07/07	A4554	\$84.00	\$84.00
			05/07/07	A4927	\$4.55	\$4.55
			06/06/07	A4554	\$84.00	\$84.00
			06/06/07	A4927	\$4.55	\$4.55
			06/06/07	T4523	\$146.88	\$146.88
			06/06/07	T4535	\$70.00	\$70.00
			06/06/07	T4537	\$40.32	\$40.32
			06/06/07	T4540	\$21.57	\$21.57
			07/03/07	A4554	\$84.00	\$84.00
			07/03/07	T4537	\$40.32	\$40.32
			07/03/07	T4535	\$70.00	\$70.00
			07/03/07	T4523	\$146.88	\$146.88
			07/03/07	A4927	\$4.55	\$4.55
			07/31/07	A4554	\$84.00	\$84.00
			07/31/07	A4927	\$4.55	\$4.55
			07/31/07	T4523	\$146.88	\$146.88
			07/31/07	T4537	\$40.32	\$40.32
			07/31/07	T4540	\$21.57	\$21.57
			08/27/07	A4554	\$84.00	\$84.00
			08/27/07	A4927	\$4.55	\$4.55
08/27/07	T4535	\$70.00	\$70.00			
08/27/07	T4537	\$40.32	\$40.32			
08/27/07	T4540	\$21.57	\$21.57			
30	[REDACTED]	[REDACTED]	11/27/07	A4927	\$4.55	\$4.55

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit II  
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Ordering Prescriber Conflicts with Claim Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
34	[REDACTED]	[REDACTED]	12/20/05	A4927	\$4.55	\$4.55
			12/20/05	B4150	\$147.00	\$147.00
			12/20/05	A4554	\$84.00	\$84.00
			12/20/05	T4523	\$146.88	\$146.88
			01/09/06	A4554	\$84.00	\$84.00
			01/09/06	A4927	\$4.55	\$4.55
			01/09/06	T4523	\$146.88	\$146.88
			03/31/06	A4554	\$84.00	\$84.00
			03/31/06	A4927	\$4.55	\$4.55
			03/31/06	T4523	\$146.88	\$146.88
			04/04/06	B4150	\$235.20	\$235.20
			05/01/06	A4554	\$84.00	\$84.00
			05/01/06	A4927	\$4.55	\$4.55
			05/01/06	T4523	\$146.88	\$146.88
41	[REDACTED]	[REDACTED]	02/26/07	A4253	\$78.76	\$78.76
			02/26/07	A4259	\$6.06	\$6.06
			02/26/07	A4927	\$4.55	\$4.55
			02/26/07	A4245	\$2.78	\$2.78
			05/17/07	A4245	\$5.56	\$5.56
			05/17/07	A4253	\$78.76	\$78.76
			05/17/07	A4259	\$6.06	\$6.06
51	[REDACTED]	[REDACTED]	06/25/07	A4245	\$6.95	\$6.95
			06/25/07	A4253	\$14.77	\$14.77
			06/25/07	A4927	\$4.55	\$4.55
			09/17/07	A4245	\$6.95	\$6.95
			09/17/07	A4253	\$14.77	\$14.77
			09/17/07	A4927	\$4.55	\$4.55
			11/05/07	A4245	\$6.95	\$6.95
			11/05/07	A4927	\$4.55	\$4.55
			12/19/07	A4245	\$6.95	\$6.95
12/19/07	A4927	\$4.55	\$4.55			
55	[REDACTED]	[REDACTED]	09/06/06	A4927	\$4.55	\$4.55
			09/06/06	T4523	\$146.88	\$146.88
			09/06/06	A4554	\$84.00	\$84.00
			10/09/06	A4554	\$84.00	\$84.00
			10/09/06	A4927	\$4.55	\$4.55
			10/09/06	T4523	\$146.88	\$146.88

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: II  
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Ordering Prescriber Conflicts with Claim Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
55	[REDACTED]	[REDACTED]	11/06/06	A4554	\$84.00	\$84.00
			11/06/06	A4927	\$4.55	\$4.55
			11/06/06	T4523	\$146.88	\$146.88
			12/04/06	A4554	\$84.00	\$84.00
			12/04/06	T4523	\$146.88	\$146.88
			01/02/07	T4523	\$146.88	\$146.88
			01/02/07	A4554	\$84.00	\$84.00
			01/02/07	A4927	\$4.55	\$4.55
			01/22/07	A4554	\$84.00	\$84.00
			01/22/07	A4927	\$4.55	\$4.55
			01/22/07	T4523	\$146.88	\$146.88
			02/14/07	A4554	\$84.00	\$84.00
			02/14/07	A4927	\$4.55	\$4.55
			02/14/07	T4523	\$146.88	\$146.88
			03/14/07	A4554	\$84.00	\$84.00
			03/14/07	A4927	\$4.55	\$4.55
			03/14/07	T4523	\$146.88	\$146.88
			04/18/07	A4554	\$84.00	\$84.00
			04/18/07	A4927	\$4.55	\$4.55
			04/18/07	T4523	\$146.88	\$146.88
			05/16/07	A4554	\$84.00	\$84.00
			05/16/07	A4927	\$4.55	\$4.55
			05/16/07	T4523	\$146.88	\$146.88
			06/11/07	A4554	\$84.00	\$84.00
			06/11/07	A4927	\$4.55	\$4.55
			06/11/07	T4523	\$146.88	\$146.88
			07/10/07	T4523	\$146.88	\$146.88
			07/26/07	A4554	\$84.00	\$84.00
			08/07/07	A4554	\$84.00	\$84.00
			08/07/07	A4927	\$4.55	\$4.55
			08/07/07	T4523	\$146.88	\$146.88
			09/05/07	A4554	\$84.00	\$84.00
			09/05/07	A4927	\$4.55	\$4.55
			09/05/07	T4523	\$146.88	\$146.88
			10/02/07	A4554	\$84.00	\$84.00
			10/02/07	T4523	\$146.88	\$146.88
			10/02/07	A4927	\$4.55	\$4.55
			10/23/07	A4554	\$84.00	\$84.00
			10/23/07	A4927	\$4.55	\$4.55
			10/23/07	T4523	\$146.88	\$146.88

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: II

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Ordering Prescriber Conflicts with Claim Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
55	[REDACTED]	[REDACTED]	11/18/07	A4927	\$4.55	\$4.55
			11/18/07	T4523	\$146.88	\$146.88
			11/18/07	A4554	\$84.00	\$84.00
			12/17/07	A4554	\$84.00	\$84.00
			12/17/07	A4927	\$4.55	\$4.55
			12/17/07	T4523	\$146.88	\$146.88
86	[REDACTED]	[REDACTED]	09/27/06	E0260	\$28.08	\$28.08
			10/27/06	E0260	\$28.08	\$28.08
			11/27/06	E0260	\$28.08	\$28.08
			02/27/07	E0260	\$21.06	\$21.06
87	[REDACTED]	[REDACTED]	01/09/06	A4927	\$4.55	\$4.55
			06/29/06	T4523	\$146.88	\$146.88
			08/08/06	A4927	\$4.55	\$4.55
			10/06/06	A4927	\$4.55	\$4.55
			10/06/06	T4523	\$146.88	\$146.88
			11/06/06	A4927	\$4.55	\$4.55
			11/06/06	T4523	\$146.88	\$146.88
			01/08/07	A4927	\$4.55	\$4.55
01/08/07	T4523	\$146.88	\$146.88			
90	[REDACTED]	[REDACTED]	01/23/07	E0241	\$27.07	\$27.07
			09/25/07	T4535	\$70.00	\$70.00
			09/25/07	T4539	\$33.25	\$33.25
			09/25/07	T4537	\$40.32	\$40.32
			09/25/07	A4927	\$4.55	\$4.55
			09/25/07	A4554	\$84.00	\$84.00
			09/25/07	T4540	\$21.57	\$21.57
			09/25/07	T4524	\$161.28	\$161.28
91	[REDACTED]	[REDACTED]	01/23/06	A4927	\$4.55	\$4.55
			04/07/06	A4927	\$4.55	\$4.55
			05/18/06	A4927	\$4.55	\$4.55
			06/15/06	A4927	\$4.55	\$4.55
			02/27/07	A4927	\$4.55	\$4.55
97	[REDACTED]	[REDACTED]	02/02/07	A4554	\$84.00	\$84.00

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: II  
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Ordering Prescriber Conflicts with Claim Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
97	[REDACTED]	[REDACTED]	03/06/07	A4927	\$4.55	\$4.55
			03/06/07	A4259	\$6.06	\$6.06
			03/06/07	A4245	\$6.95	\$6.95
			03/06/07	A4253	\$78.76	\$78.76
			04/06/07	A4245	\$6.95	\$6.95
			04/06/07	A4243	\$78.76	\$78.76
			04/06/07	A4259	\$6.06	\$6.06
			04/06/07	A4927	\$4.55	\$4.55
			05/13/07	A4927	\$4.55	\$4.55
			05/13/07	T4535	\$70.00	\$70.00
			06/25/07	T4535	\$70.00	\$70.00
			06/25/07	T4540	\$21.57	\$21.57
			06/25/07	T4539	\$33.25	\$33.25
			06/25/07	T4537	\$40.32	\$40.32
			06/25/07	A4259	\$6.06	\$6.06
			06/25/07	A4253	\$78.76	\$78.76
			06/25/07	A4245	\$6.95	\$6.95
			06/25/07	A4927	\$4.55	\$4.55
			07/25/07	T4535	\$70.00	\$70.00
			07/26/07	A4927	\$4.55	\$4.55
			07/26/07	T4539	\$33.25	\$33.25
			09/17/07	A4253	\$78.76	\$78.76
			09/17/07	A4259	\$6.06	\$6.06
			09/17/07	A4245	\$6.95	\$6.95
			09/17/07	A4927	\$4.55	\$4.55
			09/24/07	A4927	\$4.55	\$4.55
			09/24/07	T4535	\$70.00	\$70.00
			11/05/07	A4245	\$6.95	\$6.95
			11/05/07	T4535	\$70.00	\$70.00
			11/05/07	T4540	\$21.57	\$21.57
			11/05/07	T4537	\$40.32	\$40.32
			11/05/07	A4253	\$78.76	\$78.76
			11/05/07	A4259	\$6.06	\$6.06
			11/05/07	A4927	\$4.55	\$4.55

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: II

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Ordering Prescriber Conflicts with Claim Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
97	[REDACTED]	[REDACTED]	12/19/07	T4540	\$21.57	\$21.57
			12/19/07	A4245	\$6.95	\$6.95
			12/19/07	A4253	\$78.76	\$78.76
			12/19/07	A4259	\$6.06	\$6.06
			12/19/07	A4554	\$84.00	\$84.00
			12/19/07	A4927	\$4.55	\$4.55
			12/19/07	T4535	\$70.00	\$70.00
			12/19/07	T4537	\$40.32	\$40.32
			12/19/07	T4539	\$33.25	\$33.25
Total Services:				<u>226</u>		<u>\$13,242.59</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: III

Audit Number: 08-3340

Missing Documentation Confirming Receipt/Delivery of Item

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
13	[REDACTED]	[REDACTED]	02/06/06	A4927	\$4.55	\$4.55
			02/06/06	T4523	\$146.88	\$146.88
			02/06/06	T4535	\$70.00	\$70.00
			02/06/06	T4539	\$26.55	\$26.55
			02/06/06	A4554	\$84.00	\$84.00
35	[REDACTED]	[REDACTED]	01/03/06	T4539	\$26.55	\$26.55
			01/03/06	A4554	\$84.00	\$84.00
			01/03/06	A4927	\$4.55	\$4.55
			01/03/06	T4522	\$97.92	\$97.92
			01/03/06	T4535	\$70.00	\$70.00
			02/01/06	A4927	\$4.55	\$4.55*
			02/01/06	T4522	\$97.92	\$97.92*
			02/01/06	T4539	\$26.55	\$26.55*
			02/01/06	A4554	\$84.00	\$84.00*
			03/01/06	A4927	\$4.55	\$4.55*
			03/01/06	T4522	\$97.92	\$97.92*
			03/01/06	T4535	\$70.00	\$70.00*
			03/01/06	T4539	\$26.55	\$26.55*
92	[REDACTED]	[REDACTED]	03/25/07	A4927	\$4.55	<u>\$4.55</u>
<b>Total Services:</b>				<b><u>19</u></b>		<b><u>\$1,031.59</u></b>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: IV

Audit Number: 08-3340

Missing Information on Written Order

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
51	[REDACTED]	[REDACTED]	02/02/07	A4253	\$14.77	\$14.77
			03/06/07	A4927	\$4.55	\$4.55
			03/06/07	A4253	\$14.77	\$14.77*
			04/06/07	A4253	\$14.77	\$14.77*
			04/06/07	A4927	\$4.55	\$4.55*
82	[REDACTED]	[REDACTED]	07/31/06	B4150	\$58.80	\$58.80
			09/21/06	B4150	\$88.20	\$88.20*
			11/06/06	B4150	\$88.20	\$88.20*
			01/24/07	B4150	\$58.80	\$58.80
			02/21/07	B4150	\$29.40	\$29.40*
			03/13/07	B4150	\$58.80	\$58.80*
			04/04/07	B4150	\$29.40	\$29.40*
			04/25/07	B4150	\$58.80	\$58.80*
			05/15/07	B4150	\$58.80	\$58.80*
Total Services:			<u>14</u>			<u>\$582.61</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: V

Audit Number: 08-3340

Other Insurance Payments Not Applied

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
22	[REDACTED]	[REDACTED]	02/07/07	E0630	\$124.23	\$103.85
			02/12/07	E0260	\$140.46	\$119.39*
			03/07/07	E0630	\$124.23	\$108.95*
			03/12/07	E0260	\$140.46	\$119.39*
46	[REDACTED]	[REDACTED]	03/13/06	K003	\$54.08	\$38.04
			03/13/06	E0990	\$13.49	<u>\$9.91</u>
<b>Total Services:</b>				<u>6</u>		<u>\$499.53</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: VI

Audit Number: 08-334

Duplicate Payment

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
15	[REDACTED]	[REDACTED]	12/29/06	E0260	\$140.46	\$140.46
22	[REDACTED]	[REDACTED]	01/12/07	E0260	\$140.46	\$175.57
26	[REDACTED]	[REDACTED]	11/14/06	E0260	\$140.46	\$140.46
86	[REDACTED]	[REDACTED]	01/27/07	E0260	\$18.76	<u>\$9.38</u>
Total Services:				<u>4</u>		<u>\$465.87</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: VII

Audit Number: 08-3340

Order Refilled More Than 180 Days After It Has Been initiated by the Prescriber

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
86	[REDACTED]	[REDACTED]	12/08/06	T4523	\$146.88	\$146.88
			12/08/06	A4927	\$4.55	\$4.55
			12/08/06	A4554	\$42.00	\$42.00
			01/31/07	T4523	\$146.88	\$146.88*
			01/31/07	A4927	\$4.55	\$4.55*
			01/31/07	A4554	\$42.00	\$42.00*
<b>Total Services:</b>				<b><u>6</u></b>		<b><u>\$386.86</u></b>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: VIII

Audit Number: 08-3340

Item Billed Does Not Match Ordered Item

<u>Sample #</u>	<u>CIN #</u>	<u>Patient Initials</u>	<u>Date of Service</u>	<u>Procedure Code</u>	<u>Amount Paid</u>	<u>Amount Disallowed</u>
15	[REDACTED]	[REDACTED]	08/22/07	T4540	\$21.57	\$21.57*
			09/17/07	T4540	\$21.57	\$21.57
87	[REDACTED]	[REDACTED]	08/08/06	T4523	\$146.88	\$146.88
92	[REDACTED]	[REDACTED]	06/08/06	T4523	\$146.88	<u>\$146.88</u>
<b>Total Services:</b>				<b><u>4</u></b>		<b><u>\$336.90</u></b>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: IX

Audit Number: 08-3340

Quantity Dispensed Exceeded Maximum Monthly Allowance

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
16	[REDACTED]	[REDACTED]	01/26/07	A4927	\$4.55	\$4.55*
			01/26/07	A4554	\$84.00	\$84.00*
55	[REDACTED]	[REDACTED]	03/30/07	T4523	\$146.88	\$146.88*
			03/30/07	A4927	\$4.55	\$4.55*
			03/30/07	A4554	\$84.00	\$84.00*
Total Services:				<u>5</u>		<u>\$323.98</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: X

Audit Number: 08-3340

Item Billed in Excess of Quantity Ordered

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
30	[REDACTED]	[REDACTED]	04/11/07	A4245	\$6.95	\$1.39
			06/26/07	A4245	\$6.95	\$1.39*
			09/18/07	A4245	\$6.95	\$1.39*
			11/27/07	A4245	\$5.56	\$4.17
74	[REDACTED]	[REDACTED]	02/08/07	A6402	\$19.50	\$6.50
78	[REDACTED]	[REDACTED]	01/24/06	A4554	\$84.00	\$28.00
82	[REDACTED]	[REDACTED]	07/18/07	A4217	\$15.80	\$7.90
			08/09/07	A4217	\$15.80	\$7.90*
			08/30/07	A4217	\$15.80	\$7.90*
			09/21/07	A4217	\$15.80	\$7.90*
			10/12/07	A4217	\$15.80	\$7.90*
			11/05/07	A4217	\$15.80	\$7.90*
95	[REDACTED]	[REDACTED]	03/29/06	E0180	\$117.38	\$51.77
97	[REDACTED]	[REDACTED]	06/16/06	A4245	\$2.78	<u>\$1.39</u>
			<b>Total Services:</b>	<b><u>14</u></b>		<b><u>\$143.40</u></b>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: XI

Audit Number: 08-3340

Original Order Filled Beyond Acceptable Timeframe

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
55	[REDACTED]	[REDACTED]	04/18/07	A4245	\$6.95	\$6.95
			04/18/07	A4244	\$5.60	\$5.60
78	[REDACTED]	[REDACTED]	12/27/05	A4927	\$4.55	\$4.55
			01/24/06	A4554	\$84.00	<u>\$84.00</u>
Total Services:				<u>4</u>		<u>\$101.10</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: XII

Audit Number: 08-3340

Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
13	[REDACTED]	[REDACTED]	10/23/06	A4927	\$4.55	\$4.55
82	[REDACTED]	[REDACTED]	05/18/06	A4217	\$15.80	\$15.80*
			05/15/07	A4217	\$15.80	\$15.80
			06/04/07	A4217	\$15.80	\$15.80*
			06/26/07	A4217	\$15.80	\$15.80*
			11/26/07	A4217	\$15.80	\$15.80
			12/17/07	A4217	\$15.80	\$15.80*
<b>Total Services:</b>				<b>7</b>		<b><u>\$99.35</u></b>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: XIII

Audit Number: 08-3340

Incorrect Procedure Code Billed

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
66	[REDACTED]	[REDACTED]	12/13/06	E0940	\$254.98	<u>\$81.65</u>
Total Services:				<u>1</u>		<u>\$81.65</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: XIV

Audit Number: 08-3340

No Written Order

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
11	[REDACTED]	[REDACTED]	12/29/05	E0240	\$38.34	\$38.34
55	[REDACTED]	[REDACTED]	09/05/07	A4244	\$5.60	\$5.60
			10/02/07	A4244	\$5.60	\$5.60*
			10/23/07	A4244	\$5.60	\$5.60*
			11/18/07	A4244	\$5.60	\$5.60*
			12/17/07	A4246	\$8.88	\$8.88
			12/17/07	A4244	\$5.60	<u>\$5.60</u>
<b>Total Services:</b>				<u>7</u>		<u>\$75.22</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: XV

Audit Number: 08-3340

Improper Medicaid Billings for Medicare Crossover Patients

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
51	[REDACTED]	[REDACTED]	08/01/06	A4253	\$19.66	\$4.88
99	[REDACTED]	[REDACTED]	01/14/07	K0001	\$51.56	\$12.89
			4/11/2006	E0990	\$27.82	<u>\$14.39</u>
Total Services:				<u>3</u>		<u>\$32.16</u>

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP

Provider Number: [REDACTED]

Exhibit: XVI

Audit Number: 08-3340

No Explanation of Benefits (EOB)/Documentation for Medicare Covered Items

Sample #	CIN #	Patient Initials	Date of Service	Procedure Code	Amount Paid	Amount Disallowed
51	[REDACTED]	[REDACTED]	05/17/06	A4259	\$0.48	\$0.48
92	[REDACTED]	[REDACTED]	11/24/06	E0275	\$0.56	<u>\$0.56</u>
Total Services:				2		<u>\$1.04</u>

**GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP**

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: XVII

Page 1 of 2

**Additional Findings Pertaining to Sampled Items**

<b>Sample #</b>	<b>Date of Service</b>	<b>Procedure Code</b>	<b>Primary Finding</b>	<b>Other Findings Pertaining to Sampled Item</b>
16	01/26/07	A4927	Quantity Dispensed Exceeded Maximum Monthly Allowance	Ordering Prescriber Conflicts with Claim Prescriber
16	01/26/07	A4554	Quantity Dispensed Exceeded Maximum Monthly Allowance	Ordering Prescriber Conflicts with Claim Prescriber
22	01/12/07	E0260	Duplicate Payment	Improper Medicaid Billings for Medicare Crossover Patients
22	02/07/07	E0630	Other Insurance Payments Not Applied	Improper Medicaid Billings for Medicare Crossover Patients
22	02/12/07	E0260	Other Insurance Payments Not Applied	Improper Medicaid Billings for Medicare Crossover Patients
22	03/07/07	E0630	Other Insurance Payments Not Applied	Improper Medicaid Billings for Medicare Crossover Patients
22	03/12/07	E0260	Other Insurance Payments Not Applied	Improper Medicaid Billings for Medicare Crossover Patients
30	11/27/07	A4245	Item Billed in Excess of Quantity Ordered	Ordering Prescriber Conflicts with Claim Prescriber
35	01/03/06	T4522	Missing Documentation Confirming Receipt/ Delivery of Item	Item Billed Does Not Match Ordered Item
35	02/01/06	T4522	Missing Documentation Confirming Receipt/ Delivery of Item	Item Billed Does Not Match Ordered Item
35	03/01/06	T4522	Missing Documentation Confirming Receipt/ Delivery of Item	Item Billed Does Not Match Ordered Item
46	03/13/06	E0990	Other Insurance Payments Not Applied	Improper Medicaid Billings for Medicare Crossover Patients
46	03/13/06	K0003	Other Insurance Payments Not Applied	Improper Medicaid Billings for Medicare Crossover Patients

**GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP**

Provider Number: [REDACTED]

Audit Number: 08-3340

Exhibit: XVII

Page 2 of 2

**Additional Findings Pertaining to Sampled Items**

<b>Sample #</b>	<b>Date of Service</b>	<b>Procedure Code</b>	<b>Primary Finding</b>	<b>Other Findings Pertaining to Sampled Item</b>
51	02/02/07	A4253	Missing Information on Written Order	Ordering Prescriber Conflicts with Claim Prescriber
51	03/06/07	A4253	Missing Information on Written Order	Ordering Prescriber Conflicts with Claim Prescriber
51	03/06/07	A4927	Missing Information on Written Order	Ordering Prescriber Conflicts with Claim Prescriber
51	04/06/07	A4253	Missing Information on Written Order	Ordering Prescriber Conflicts with Claim Prescriber
51	04/06/07	A4927	Missing Information on Written Order	Ordering Prescriber Conflicts with Claim Prescriber
55	03/30/07	A4554	Quantity Dispensed Exceeded Maximum Monthly Allowance	Ordering Prescriber Conflicts with Claim Prescriber
55	03/30/07	A4927	Quantity Dispensed Exceeded Maximum Monthly Allowance	Ordering Prescriber Conflicts with Claim Prescriber
55	03/30/07	T4523	Quantity Dispensed Exceeded Maximum Monthly Allowance	Ordering Prescriber Conflicts with Claim Prescriber
78	12/27/05	A4554	Original Order Filled Beyond Acceptable Timeframe	Item Billed In Excess of Quantity Ordered
82	11/26/07	A4217	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	Item Billed In Excess of Quantity Ordered
82	12/17/07	A4217	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	Item Billed In Excess of Quantity Ordered
87	08/08/06	T4523	Item Billed Does Not Match Ordered Item	Ordering Prescriber Conflicts with Claim Prescriber

## FINAL DISPOSITION FOR SAMPLED SELECTIONS CHANGED FROM DRAFT TO FINAL AUDIT REPORT

GARDEN COURT SURGICAL & HOSPITAL SUPPLY CORP.  
DURABLE MEDICAL EQUIPMENT SERVICES AUDIT

AUDIT #08-3340

AUDIT PERIOD: 01/01/06 - 12/31/07

## BRIDGE SCHEDULE

SAMPLE #	FINDING	DRAFT REPORT AMOUNT DISALLOWED	FINAL REPORT AMOUNT DISALLOWED	CHANGE
30	Item Billed in Excess of Quantity Ordered	\$ 1.39	\$ -	\$ (1.39)
35	Missing Documentation Confirming/Delivery of Item	84.00	\$ -	\$ (84.00)
40	No Written Order	1.71	\$ -	\$ (1.71)
40	No Written Order	12.22	\$ -	\$ (12.22)
43	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	21.57	\$ -	\$ (21.57)
43	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	33.25	\$ -	\$ (33.25)
43	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	70.00	\$ -	\$ (70.00)
43	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	40.32	\$ -	\$ (40.32)
43	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	84.00	\$ -	\$ (84.00)
43	Medical/Surgical Supplies Provided in Excess of the Allowable Number of Refills	146.88	\$ -	\$ (146.88)
44	Missing Documentation Confirming/Delivery of Item	4.55	\$ -	\$ (4.55)
79	No Explanation of Benefits (EOB) / Documentation for Medicare Covered Items	22.05	\$ -	\$ (22.05)
82	Quantity Dispensed Exceeded Maximum Monthly Allowance	15.80	\$ -	\$ (15.80)
85	No Written Order	84.00	\$ -	\$ (84.00)
93	No Explanation of Benefits (EOB) / Documentation for Medicare Covered Items	24.04	\$ -	\$ (24.04)
99	No Written Order	109.12	\$ -	\$ (109.12)
<b>TOTALS</b>		<b>\$ 754.90</b>	<b>\$ -</b>	<b>\$ (754.90)</b>

Note: The adjustments shown above only reflect those that were revised as a result of the provider's response. All other financial adjustments remain the same as shown in the Draft Audit Report.