



NEW YORK STATE
DEPARTMENT OF HEALTH
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF RAYMOND BATES AMBULETTE
CLAIMS FOR AMBULETTE SERVICES
PAID FROM
JANUARY 1, 2005 – DECEMBER 31, 2008

FINAL AUDIT REPORT
AUDIT #10-3396

James C. Cox
Medicaid Inspector General

July 23, 2014



STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
800 North Pearl Street
Albany, NY 12204

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

July 23, 2014

[REDACTED]
Raymond Bates Ambulette
46 Robert Avenue
Port Chester, New York 10573

Re: Final Audit Report
County Demonstration Project
Westchester County
Audit #: 10-3396
Provider ID [REDACTED]

Dear [REDACTED]

This letter will serve as our final audit report of the recently completed review of payments made to Raymond Bates Ambulette (the Provider) under the New York State Medicaid Program.

The New York State Department of Health (DOH) 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 Departments of Health and Mental Hygiene [Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (10 NYCRR, 14 NYCRR, 18 NYCRR)] and the Medicaid Management Information System (MMIS) Provider Manuals.

Medicaid reimbursement in New York State is available to lawfully authorized ambulance, ambulette and taxi providers for transportation services furnished to Medicaid eligible persons going to or from the site of Medicaid covered medical services. Other carriers are specifically approved to transport Medicaid recipients to and from prescribed day treatment services. Transportation providers and their drivers must comply with all applicable state, county and municipal requirements for legal operation, including those for licensing, inspection, training, staffing and equipment. Applicable regulations of the State Departments of Transportation, Health and Motor Vehicles are referenced in the Department's governing regulation, Title 18 NYCRR Section 505.10.

A common requirement for all Medicaid transportation providers is the need to obtain prior authorization for all non-emergency services that are provided. Once authorized, a service must be rendered to receive reimbursement. Each billing claim for service submitted for Medicaid payment must conform to the billing requirements contained in the MMIS Provider Manual for Transportation and rate schedules issued by county social service districts as part of their local transportation plans.

A review of payments to the Provider for transportation services paid by Medicaid for Westchester County recipients from January 1, 2005, through December 31, 2008, was recently completed. During the audit period, \$67,784.90 was paid for 1,502 services rendered to 30 recipients. This review consisted of a random sample of 200 services involving 19 recipients with Medicaid payments of \$9,078.70. The purpose of this audit was to verify that: drivers and/or vehicles were properly licensed, certified and/or registered; prior authorizations were obtained; all billing and rate requirements were met; Medicaid reimbursable services were rendered for the dates billed; appropriate procedure codes were billed for 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 Transportation.

The Provider's failure to comply with Title(s) 10, 14 and/or 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (NYCRR) and the MMIS Provider Manual for Transportation resulted in a total sample overpayment of \$2,686.00.

The statistical sampling methodology employed allows for extrapolation of the sample findings to the universe of cases (18 NYCRR Section 519.18). The mean per unit point estimate of the amount overpaid is \$20,172. The lower confidence limit of the amount overpaid is \$16,198. We are 95% certain that the actual amount of the overpayment is greater than the lower confidence limit (Exhibit I).

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 draft audit report dated November 7, 2013.

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. Missing/Incomplete Documentation

Regulations state: "By enrolling the 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 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 and to furnish such records and information, upon request, to the department, the Secretary of the United States Department of Health and Human Services, the Deputy Attorney General for Medicaid Fraud Control and the New York State Department of Health[.]"

18 NYCRR Section 504.3(a)

Regulations state: "Payment to a provider of ambulette services will only be made for services documented in contemporaneous records in accordance with section 504.3 of this Title. Documentation must include:

- (i) the recipient's name and MA identification number;
- (ii) the origination of the trip;
- (iii) the destination of the trip;
- (iv) the date and time of service; and
- (v) the name of the driver transporting the recipient."

18 NYCRR Section 505.10 (e)(8)

Medicaid policy states: "Record Keeping Requirements: Trip Tickets

Payment to a provider of ambulette services will only be made for services documented in contemporaneous records, typically referred to as "trip tickets." Documentation shall include the following:

- Recipient's name and Medicaid identification number;
- Origination of the trip;
- Destination of the trip;
- Date and time of service; and,
- Name of the driver transporting the recipient"

MMIS Transportation Manual Policy Guidelines, Version 2004-1, Section II

Medicaid policy states: "Record Keeping Requirements

Payment to ambulette, taxi/livery/van and day treatment transportation providers who transport Medicaid recipients Medicaid-covered services will only be made for services documented in contemporaneous records.

Documentation shall include the following:

- The recipient's name and Medicaid identification number;
- The origination of the trip;
- The destination of the trip;
- The date and time of service; and,
- The name of the driver transporting the recipient.

For auditing purposes, Medicaid recipient records must be maintained and be available to authorized officials for six (6) years following the date of payment."

*MMIS Transportation Manual Policy Guidelines, Version 2006-1 (effective 20 Oct 06),
Section II*

Version 2006-2 (effective 1 Dec 06), Section II

Version 2007-1 (effective 9 Jan 07), Section II

Medicaid policy states: "Record Keeping Requirements

Payment to ambulette, taxi/livery/van and day treatment transportation providers who transport Medicaid enrollees to Medicaid-covered services will only be made for services documented in contemporaneous records. Documentation shall include the following:

- The Medicaid enrollee's name and Medicaid identification number;
- Both the origination and destination of the trip;
- The date and time of service; and,
- The name of the driver transporting the Medicaid enrollees.

For auditing purposes, Medicaid enrollee records must be maintained and available to authorized officials for six (6) years following the date of payment."

*MMIS Transportation Manual Policy Guidelines, Version 2008-1 (effective 1 Jun 08),
Section II*

Version 2008-2 (effective 25 Jun 08), Section II

Version 2008-3 (effective 1 Sept 08), Section II

In 45 instances pertaining to 14 recipients, contemporaneous documentation supporting name of driver was missing. This resulted in a sample overpayment of \$2,496 (Exhibit II).

In 1 instance, contemporaneous documentation of a transportation service was missing. This resulted in a sample overpayment of \$58 (Exhibit IV).

2. Missing/Inaccurate Information on Medicaid Claim

Regulations state: "By enrolling the provider agrees.... 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" and "that the information provided in relation to any claim for payment shall be true, accurate and complete".

18 NYCRR Sections 504.3(f) and (h)

Medicaid policy states: "...all claims (electronic and paper) submitted to Medicaid by nonemergency ambulette transportation providers (category of service 0602) must contain the *Driver's License Number*; and the *Vehicle License Plate Number*."

DOH Medicaid Update November 2005 Vol. 20, No. 12

Medicaid policy states: "Transportation providers billing for services when an ambulette vehicle is used are required to:

- Include the **driver license number** of the individual driving the vehicle on their claim.
- Include the **license plate number** of the vehicle used to transport the Medicaid client on their claim.

If a different driver and/or vehicle returns the Medicaid enrollee/s from the medical appointment, the license number of the driver and vehicle used for the origination of the trip should be reported on the claim."

*MMIS Transportation Manual Policy Guidelines, Version 2006-1 (effective 20 Oct 06),
Section II
Version 2006-2 (effective 1 Dec 06), Section II
Version 2007-1 (effective 9 Jan 07), Section II
Version 2008-1 (effective 1 Jun 08), Section II
Version 2008-2 (effective 25 Jun 08), Section II
Version 2008-3 (effective 1 Sept 08), Section II*

Medicaid policy states: "Medicaid policy requires that all Ambulette Providers (Category of Service 0602) enter the ordering provider's Medicaid identification number, or license number and profession code, when submitting a claim to Computer Sciences Corporation.

Failure to accurately report the ordering provider's identification number will prevent the payment of claims."

DOH Medicaid Update October 2006 Vol. 21, No. 10

In 2 instances pertaining to 2 recipients, the claim was missing information in the driver license number field. This resulted in a sample overpayment of \$116 (Exhibit III).

4. Excessive Mileage Claimed

Medicaid policy states: "All ambulette or van providers who transport more than one Medicaid recipient at the same time in the ambulette or van and who are reimbursed for vehicular mileage should claim only for the actual number of miles from the first pick-up of a Medicaid recipient to the final destination and drop-off of all recipients....If you are reimbursed on a one-way pickup rate only (no mileage reimbursement), regardless of the number of miles transported, this policy does **NOT** apply to your transportation. Some NYC recipients reside outside NYC and travel outside NYC. For these recipients who reside outside NYC and travel outside NYC, the rule for ordering mileage reimbursement is the same as that which applies to all other recipients of that county."

*MMIS Transportation Manual Policy Guidelines, Version 2004-1, Section II
Version 2006-1 (effective 20 Oct 2006), Section II
Version 2006-2 (effective 1 Dec 2006), Section II
Version 2007-1 (effective 9 Jan 2007), Section II*

In 2 instances pertaining to 2 recipients, the claim contained inaccurate mileage charges. This resulted in a sample overpayment of \$16 (Exhibit V).

Total sample overpayments for this audit amounts to \$2,686.

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

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 lower confidence limit amount of \$16,198, 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 #: 10-3396
 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

If you choose not to settle this audit through repayment of the lower confidence limit, you have the right to challenge these findings by requesting an administrative hearing where the OMIG would seek and defend the meanpoint estimate of \$20,172. 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 the staff during this audit.

Sincerely,

[REDACTED]

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

[REDACTED]
Enclosure

cc: [REDACTED]

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED

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

NAME AND ADDRESS OF AUDITEE

Raymond Bates Ambulette
46 Robert Avenue
Port Chester, New York 10573

PROVIDER ID [REDACTED]

AUDIT # 10-3396

AMOUNT DUE: \$16,198

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 #10-3396 (County Demo)
Albany, New York 12237-0048

Thank you for your cooperation.

EXHIBIT I

**RAYMOND BATES AMBULETTE
TRANSPORTATION SERVICES AUDIT
AUDIT # 10-3996
AUDIT PERIOD: 01/01/05 – 12/31/08**

EXTRAPOLATION OF SAMPLE FINDINGS

Sample Overpayments	\$	2,686.00
Services in Sample		200
Overpayments Per Sampled Service	\$	13.4300
Services in Universe		1,502
Meanpoint Estimate	\$	20,172
Lower Confidence Limit	\$	16,198

RAYMOND BATES AMBULETTE

MMIS #: [REDACTED]

Audit #: 10-3396

Missing/Incomplete Documentation - Missing Name of Driver

Sample #	Date of Service	Billing Code	Amount Disallowed
11	9/19/2008	NY100	\$58.00
13	5/14/2008	NY100	\$58.00
18	9/26/2005	NY100	\$58.00
24	5/7/2008	NY100	\$58.00
27	7/25/2005	NY100	\$58.00
39	12/19/2006	NY100	\$58.00
42	1/24/2007	NY100	\$58.00
43	7/11/2007	NY100	\$58.00
45	5/6/2008	NY100	\$58.00
47	6/6/2006	NY100	\$58.00
49	2/22/2006	NY100	\$58.00
51	1/29/2008	NY100	\$58.00
58	7/2/2008	NY100	\$58.00
62	3/22/2006	NY100	\$58.00
65	6/8/2007	NY100	\$58.00
69	8/22/2008	NY100	\$58.00
73	4/16/2008	NY100	\$58.00
76	6/26/2007	NY100	\$58.00
79	5/13/2008	NY100	\$58.00
95	7/11/2007	NY100	\$58.00
98	9/23/2008	NY100	\$58.00
109	8/20/2008	NY100	\$58.00

RAYMOND BATES AMBULETTE

MMIS #: [REDACTED]

Audit #: 10-3396

Missing/Incomplete Documentation - Missing Name of Driver

Sample #	Date of Service	Billing Code	Amount Disallowed
112	9/19/2007	NY100	\$58.00
125	5/9/2007	NY100	\$58.00
128	8/15/2007	NY100	\$58.00
133	2/28/2006	NY100	\$58.00
141	9/2/2008	NY100	\$58.00
142	1/17/2006	NY100	\$58.00
143	4/6/2006	NY100	\$58.00
147	6/13/2008	NY100	\$58.00
152	9/20/2007	NY100	\$58.00
154	5/21/2008	NY100	\$58.00
157	8/26/2008	NY100	\$58.00
160	4/12/2006	NY109	\$20.00
161	10/9/2007	NY100	\$58.00
164	4/22/2008	NY100	\$58.00
167	6/20/2007	NY100	\$58.00
173	2/9/2006	NY100	\$58.00
181	7/19/2006	NY100	\$58.00
187	4/10/2007	NY100	\$58.00
193	5/5/2005	NY100	\$58.00
194	4/4/2008	NY100	\$58.00
196	5/2/2007	NY109	\$20.00

RAYMOND BATES AMBULETTE

MMIS #: [REDACTED]

Audit #: 10-3396

Missing/Incomplete Documentation - Missing Name of Driver

Sample #	Date of Service	Billing Code	Amount Disallowed
197	8/8/2006	NY109	\$20.00
200	12/11/2006	NY100	\$58.00
Total Services:	45		\$2,496.00

RAYMOND BATES AMBULETTE

MMIS #: [REDACTED]

Audit #: 10-3396

Missing/Inaccurate Information on Medicaid Claim - Driver's License #

Sample #	Date of Service	Billing Code	Amount Disallowed
35	5/9/2006	NY100	\$58.00
64	1/5/2007	NY100	\$58.00
Total Services:	2		\$116.00

RAYMOND BATES AMBULETTE

MMIS #: [REDACTED]

Audit #: 10-3396

Missing/Incomplete Documentation - No Supporting Documentation

Sample #	Date of Service	Billing Code	Amount Disallowed
163	9/28/2005	NY100	\$58.00
Total Services:	1		\$58.00

RAYMOND BATES AMBULETTE

MMIS #: [REDACTED]

Audit #: 10-3396

Excessive Mileage Claimed

Sample #	Date of Service	Billing Code	Amount Disallowed
15	5/21/2008	NY103	\$8.00
89	4/9/2008	NY103	\$8.00
Total Services:	2		\$16.00