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

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

June 13, 2014

Menahem Simkho Transportation, Inc.
1428 36th Street Ste. 225A
Brooklyn, New York 11218

FINAL AUDIT REPORT
Audit #2012Z31-036G
Provider [redacted]

Dear Provider:

The New York State Office of the Medicaid Inspector General (the "OMIG") completed an audit of transportation services. The audit reviewed Medicaid fee-for-service transportation claims for Medicaid recipients who were hospital inpatients on the date of service, and claims to verify that the vehicle license number and driver's license number listed were authorized at the date of service.

In accordance with Section 517.6 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (18 NYCRR), this report represents the final determination on issues found during the OMIG's review.

After reviewing your response to the OMIG's December 27, 2012 Draft Audit Report, the overpayments in the Final Report remains unchanged to those cited in the Draft Audit Report. The total Medicaid overpayment is $67,657.83, inclusive of interest.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described as follows:

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

New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
Albany, New York 12237

OPTION #2: Enter into a repayment agreement with the Office of the Medicaid Inspector General to have the overpayments applied against your future Medicaid payments. If your repayment terms exceed 90 days from the date of the final 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 report, the OMIG will impose a 15% withhold after 20 days until the agreement is established. The OMIG may require financial information from you to establish the terms of the repayment agreement. If additional information is requested, the OMIG must receive the information within 30 days of the request or a 50% withhold will be imposed. 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. The OMIG will notify you no later than 5 days after initiating such action.

If you wish to enter into a repayment agreement, you must forward your written request within 20 days to the following:

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

Do not submit claim voids or adjustments in response to this Final Report.

If within 20 days you fail to make full payment or contact the OMIG to make repayment arrangements, the OMIG will establish a withhold equal to 50% of your Medicaid billings to secure payment and liquidate the overpayment amount, interest and/or penalty, not barring any other remedy allowed by law. The OMIG will provide notice to you no later than 5 days after the withholding of any funds.

In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against the amount owed.

You have the right to challenge this action and determination by requesting an administrative hearing within sixty (60) days of the date of this notice. In accordance with 18 NYCRR Section 519.18(a), "The issues and documentation considered at the hearing are limited to

issues directly relating to the final determination. An appellant may not raise issues regarding the methodology used to determine any rate of payment or fee, nor raise any new matter not considered by the department upon submission of objections to a draft audit or notice of proposed agency action."

If you wish to request a hearing, the request must be submitted in writing to:

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

If a hearing is held, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply along with your hearing request a signed authorization permitting that person to represent you. At the hearing, you may call witnesses and present documentary evidence on your behalf.

Questions concerning this audit may be directed to [redacted].

Sincerely,

[redacted]

Office of the Medicaid Inspector General

Enclosure

CERTIFIED MAIL [redacted]
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE	Provider [redacted]
Menahem Simkho Trans., Inc. 1428 36th Street Ste. 225A Brooklyn, New York 11218	AUDIT #2012Z31-036G
	AUDIT TYPE: [X] PROVIDER [ ] RATE [ ] PART B [ ] OTHER:
AMOUNT DUE: $ 67,657.83	

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
GNARESP Corning Tower, Room 2739
File #2012Z31-036G
Albany, New York 12237

5. If the provider number shown above is incorrect, please enter the correct number below.

CORRECT PROVIDER NUMBER

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

FINAL REPORT

MENAHEM SIMKHO TRANSPORTATION, INC.
1428 36TH STREET STE. 225A
BROOKLYN, NEW YORK 11218

TRANSPORTATION SERVICES
#2012Z31-036G

ISSUED JUNE 13, 2014

BACKGROUND, PURPOSE AND SCOPE

The New York State Department of Health (DOH) is responsible for the administration of the Medicaid program. As an independent office within DOH, the OMIG conducts audits and reviews of providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are directed at assuring provider compliance with applicable laws, regulations, rules and policies of the Medicaid program as set forth in NY Public Health Law, NY Social Services Law, regulations of the Department of Health, (Titles 10 and 18 of the NYCRR), Medicaid Provider Manuals, and *Medicaid Update* publications.

The OMIG initiated a review of your Medicaid payments for transportation services paid from January 1, 2008 through December 31, 2011. The review looked at:

- Transportation claims billed fee-for-service during an inpatient stay;
- Transportation claims with incorrect driver's license for date of service;
- Transportation claims with incorrect vehicle license plate for date of service.

In addition, a review of Medicaid transportation ambulette claims with payment dates from June 1, 2011 through May 31, 2012 showed that in numerous instances the driver's license was disqualified on the date of service.

Please note that due to the implementation of the National Provider Identifier (NPI) on September 1, 2008, there may be multiple Provider Identification Numbers associated with the Primary Provider Identification Number. The NPI is linked to the Primary Provider Identification Number. The Primary Provider Identification Number is used for correspondence and recoupment.

DETAILED FINDINGS

The exhibits are detailed in four categories. All or a combination of the following four exhibits are included in this Final Audit Report.

1. Transportation Billed Fee-for-Service During an Inpatient Stay

Transportation services are included in the Diagnostic Related Group (DRG) and per diem when a Medicaid recipient is admitted to a Public Health Law Article 28 hospital facility. When the hospital that admitted the patient sends the patient round trip to obtain a diagnostic or therapeutic service, the admitting hospital is responsible for the transportation services.

A review of claims for transportation services, with payment dates from January 1, 2008 through December 31, 2011, showed that in numerous instances Medicaid was inappropriately billed a transportation claim for services provided to a hospital inpatient. The admitting hospital is responsible for the reimbursement of the ambulance or other transportation service for the transport of the patient.

Claims for transportation services occurring on the inpatient admission or discharge date were excluded from the audit. Claims with a DRG-exempt inpatient rate code were excluded. Claims for neonatal transport were excluded.

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

18 NYCRR 504.3(h)

Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."

18 NYCRR 504.3(i)

Regulation 18 NYCRR 518.1(c) defines "overpayment" as "any amount not authorized to be paid under the medical assistance program, whether paid as the result of ...improper claiming, unacceptable practices, fraud, abuse or mistake" and provides for the recovery by OMIG of these overpayments.

18 NYCRR 518.1(c)

Regulations state: "Payment will not be made for transportation services when:... the transportation services are provided by a medical facility and the costs are included in the facility's MA rate."

18 NYCRR 505.10(e)(9)(ii)

Medicaid Transportation Manual Policy Guidelines state:
"When a Medicaid recipient is admitted to a hospital (under Article 28 of the Public Health Law), the hospital is reimbursed their inpatient rate, Diagnostic Related Group (DRG) and per diem, which **includes all transportation services for the patient**.

If the admitting hospital sends a Medicaid inpatient (round trip) to another hospital for purposes of obtaining a diagnostic or therapeutic service, **the original admitting hospital is responsible for the provision of the transportation services.** The admitting hospital is responsible for the reimbursement of the ambulance or other transportation service for the transport of the patient."

eMedNY Transportation Manual Policy Guidelines
Version 2007-1 (effective 9 Jan 2007), p. 9:
Version 2008-1 (effective 1 Jun 2008), p. 8;
Version 2008-2 (effective 25 Jun 2008), p. 8;
Version 2008-3 (effective 1 Sept 2008), p. 8;
Version 2009-1 (effective 1 Jan 2009), p. 10;
Version 2009-2 (effective 15 Apr 2009), p. 13;
Version 2009-3 (effective 5 May 2009), p. 12;
Version 2009-4 (effective 1 Sept 2009), p. 12;
Version 2010-1 (effective 1 Nov 2010), p. 16;
Version 2011-1 (effective 1 Jan 2011), p.16;
Version 2011-2 (effective 15 Jul 2011), p.15.

Medicaid Inpatient Manual Policy Guidelines state:
"When a Medicaid patient is admitted to a hospital, the hospital is reimbursed in their inpatient rate for all transportation services for the patient. If the admitting hospital sends a Medicaid inpatient (round-trip) to another hospital for the purposes of obtaining a diagnostic or therapeutic service, the original admitting hospital is responsible for the provision of the transportation services and the reimbursement of the ambulance or other transportation service for the transport of the patient.
The transport will not be authorized by the local social services district. The costs of transportation are to be incurred by the hospital."

eMedNY Inpatient Manual Policy Guidelines
Version 2007-1 (effective 25 May 2007), p. 16;
Version 2011-1 (effective 5 Dec 2011), p.18.

Medicaid Policy states:
"When a Medicaid recipient is admitted to a hospital (under Article 28 of the Public Health Law), the hospital is reimbursed their inpatient rate, Diagnostic Related Group (DRG) and per diem, **which includes all transportation services for the patient.**
If the admitting hospital sends a Medicaid inpatient (round trip) to another hospital for purposes of obtaining a diagnostic or therapeutic service, **the original admitting hospital is responsible for the provision of the transportation services.**
The admitting hospital is responsible for the reimbursement of the ambulance or other transportation service for the transport of the patient.

October 2006 Medicaid Update

Exhibit I is a list of disallowed transportation services provided to Medicaid recipients during their hospital inpatient stay. Submitting these claims to Medicaid resulted in an overpayment of $0.00.

2. Transportation Claims With Unqualified/Disqualified Driver License for Date of Service

Transportation providers billing for ambulette services are required to include on their Medicaid claim the driver license number of the individual driving the vehicle.

A review of ambulette claims submitted for transportation services with payment dates from June 1, 2011 through May 31, 2012 showed that in numerous instances the driver's license was disqualified on the date of service.

Medicaid will not provide reimbursement for any mode of transportation when the provider is out of compliance with applicable Medicaid regulations.

Claims were identified where the Driver License Number on the claim was matched against New York State Department of Motor Vehicles files and found to be disqualified for the date of service on the claim.

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

18 NYCRR 504.3(h)

Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."

18 NYCRR 504.3(i)

Regulation 18 NYCRR 518.1(c) defines "overpayment" as "any amount not authorized to be paid under the medical assistance program, whether paid as the result of ...improper claiming, unacceptable practices, fraud, abuse or mistake" and provides for the recovery by OMIG of these overpayments.

18 NYCRR 518.1(c)

Regulations state:
"In order to receive payment for services provided to an MA recipient, a vendor must be lawfully authorized to provide transportation services on the date the services are rendered. A vendor of transportation services is lawfully authorized to provide such services if it meets the following standards:

...(ii) Ambulette services must be authorized by the Department of Transportation. Ambulette drivers must be qualified under Article 19-A of the Vehicle and Traffic Law. Ambulette services and their drivers must comply with all requirements of the Department of Transportation and the Department of Motor Vehicles or have a statement in writing from the appropriate department or departments verifying that the ambulette services or their drivers are exempt from such requirements. In addition, ambulette services operating in New York City must be licensed by the New York City Taxi and Limousine Commission;"

18 NYCRR 505.10(e)(6)(ii)

Medicaid Transportation Manual Policy Guidelines state:
"Transportation providers billing for ambulette services (category of service 0602) 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 recipient 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.

eMedNY Transportation Manual Policy Guidelines
Version 2011-1 (effective 1 Jan 2011), p. 16;
Version 2011-2 (effective 15 Jul 2011), p. 15;
Version 2012-1 (effective 1 Feb 2012), p. 23;
Version 2012-2 (effective 1 May 2012), p. 23.

Ambulette Transportation Providers
Additional Information Required for Billing
Transportation providers billing for ambulette services (category of service 0602) are now 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.

Providers should diligently update their billing systems to comply with this requirement.

DOH Medicaid Update November 2004 Vol. 19, No. 11

Exhibit 2 is a list of disallowed transportation claims containing a disqualified driver's license number for the date of service on the claim. Submitting these claims to Medicaid resulted in an overpayment of $0.00.

3. <u>Transportation Claims with Incorrect Driver's License for Date of Service</u>

Transportation providers billing for ambulette services are required to include on their Medicaid claim the driver license number of the individual driving the vehicle.

A review of ambulette claims submitted for transportation services with payment dates from January 1, 2008 through December 31, 2011 showed that the driver's license number listed on the claim was incorrect.

Medicaid will not provide reimbursement for any mode of transportation when the provider is out of compliance with applicable Medicaid regulations.

> Regulations state: "By enrolling the provider agrees ... that the information provided in relation to any claim for payment shall be true, accurate, and complete."
>
> *18 NYCRR 504.3(h)*

> Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."
>
> *18 NYCRR 504.3(i)*

> Regulation 18 NYCRR 518.1(c) defines "overpayment" as "any amount not authorized to be paid under the medical assistance program, whether paid as the result of ...improper claiming, unacceptable practices, fraud, abuse or mistake" and provides for the recovery by OMIG of these overpayments.
>
> *18 NYCRR 518.1(c)*

> Regulations state: "In order to receive payment for services provided to an MA recipient, a vendor must be lawfully authorized to provide transportation services on the date the services are rendered. A vendor of transportation services is lawfully authorized to provide such services if it meets the following standards:
>
> ...(ii) Ambulette services must be authorized by the Department of Transportation. Ambulette drivers must be qualified under Article 19-A of the Vehicle and Traffic Law. Ambulette services and their drivers must comply with all requirements of the Department of Transportation and the Department of Motor Vehicles or have a statement in writing from the appropriate department or departments verifying that the ambulette services or their drivers are exempt from such requirements. In addition, ambulette services operating in New York City must be licensed by the New York City Taxi and Limousine Commission;"
>
> *18 NYCRR 505.10(e)(6)(ii)*

Medicaid Transportation Manual Policy Guidelines state:
"Transportation providers billing for ambulette services (category of service 0602) 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 recipient 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.

eMedNY Transportation Manual Policy Guidelines
Version 2007-1 (effective 9 Jan 07), p. 9;
Version 2008-1 (effective 1 Jun 08), p. 8;
Version 2008-2 (effective 25 Jun 08), p. 8;
Version 2008-3 (effective 1 Sept 08), p. 8;
Version 2009-1 (effective 1 Jan 09), p. 10;
Version 2009-2 (effective 15 Apr 09), p. 13;
Version 2009-3 (effective 5 May 09), p. 12;
Version 2009-4 (effective 1 Sept 09), p. 12;
Version 2010-1 (effective 1 Nov 10), p. 16;
Version 2011-1 (effective 1 Jan 11), p. 16;
Version 2011-2 (effective 15 Jul 11), p. 15;
Version 2012-1 (effective 1 Feb 12), p. 23;
Version 2012-2 (effective 1 May 12), p. 23.

Ambulette Transportation Providers
Additional Information Required for Billing
Transportation providers billing for ambulette services (category of service 0602) are now 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.
Providers should diligently update their billing systems to comply with this requirement.

DOH Medicaid Update November 2004 Vol. 19, No. 11

Exhibit 3 is a list of disallowed transportation claims containing an incorrect driver's license number for the date of service on the claim. Submitting these claims to Medicaid resulted in an overpayment of $63,294.00.

4. Transportation Claims with Incorrect Vehicle License Plate for Date of Service

Transportation providers billing for ambulette services are required to include on their Medicaid claim the license plate number of the vehicle used to transport the Medicaid recipient.

A review of ambulette claims submitted for transportation services with payment dates from January 1, 2008 through December 31, 2011 show that the vehicle plate number listed on the claim was incorrect on the date of service.

Medicaid will not provide reimbursement for any mode of transportation when the provider is out of compliance with applicable Medicaid regulations.

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

18 NYCRR 504.3(h)

Regulations state: "By enrolling, the provider agrees... to comply with the rules, regulations and official directives of the department."

18 NYCRR 504.3(i)

Regulation 18 NYCRR 518.1(c) defines "overpayment" as "any amount not authorized to be paid under the medical assistance program, whether paid as the result of ...improper claiming, unacceptable practices, fraud, abuse or mistake" and provides for the recovery by OMIG of these overpayments.

18 NYCRR 518.1(c)

Regulations state: "In order to receive payment for services provided to an MA recipient, a vendor must be lawfully authorized to provide transportation services on the date the services are rendered. A vendor of transportation services is lawfully authorized to provide such services if it meets the following standards:

..."(ii) Ambulette services must be authorized by the Department of Transportation. Ambulette drivers must be qualified under Article 19-A of the Vehicle and Traffic Law. Ambulette services and their drivers must comply with all requirements of the Department of Transportation and the Department of Motor Vehicles or have a statement in writing from the appropriate department or departments verifying that the ambulette services or their drivers are exempt from such requirements. In addition, ambulette services operating in New York City must be licensed by the New York City Taxi and Limousine Commission;"

18 NYCRR 505.10(e)(6)(ii)

Medicaid Transportation Manual Policy Guidelines state:
"Transportation providers billing for ambulette services (category of service 0602) 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 recipient 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.

eMedNY Transportation Manual Policy Guidelines
Version 2007-1 (effective 9 Jan 07), p. 9;
Version 2008-1 (effective 1 Jun 08), p. 8;
Version 2008-2 (effective 25 Jun 08), p. 8;
Version 2008-3 (effective 1 Sept 08), p. 8;
Version 2009-1 (effective 1 Jan 09), p. 10;

Version 2009-2 (effective 15 Apr 09), p. 13;
Version 2009-3 (effective 5 May 09), p. 12;
Version 2009-4 (effective 1 Sept 09), p. 12;
Version 2010-1 (effective 1 Nov 10), p. 16;
Version 2011-1 (effective 1 Jan 2011), p. 16;
Version 2011-2 (effective 15 Jul 2011), p. 15;
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Version 2012-2 (effective 1 May 2012), p. 23.

Ambulette Transportation Providers
Additional Information Required for Billing
Transportation providers billing for ambulette services (category of service 0602) are now 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.
Providers should diligently update their billing systems to comply with this requirement.
DOH Medicaid Update November 2004 Vol. 19, No. 11

Exhibit 4 is a list of disallowed transportation claims containing an incorrect vehicle license plate number for the date of service on the claim. Submitting these claims to Medicaid resulted in an overpayment of $60.00.

DETERMINATION

In accordance with 18 NYCRR 518.4, interest may be collected on any overpayments identified in this audit and will accrue at the current rate from the preliminary determination of the overpayment. For the overpayments identified in this audit, the OMIG has determined that accrued interest totals $4,303.83.

Based on this determination, the total amount of overpayment, as defined in 18 NYCRR 518.1(c) is $67,657.83, inclusive of interest.

Do not submit claim voids or adjustments in response to this Final Report.