



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

April 1, 2014

[REDACTED]
Volga Transportation Corporation
2407 Avenue X
Brooklyn, New York 11235-2516

Final Audit Report
County Demo Project – NYCHRA
Audit # 10-5738
Provider ID [REDACTED]

Dear [REDACTED]

This letter will serve as our final audit report of the recently completed review of payments made to Volga Transportation Corporation (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 New York City recipients from January 1, 2006, through December 31, 2009, was recently completed. During the audit period, \$6,714,372.00 was paid for 114,020 services rendered to 9,393 recipients. This review consisted of a random sample of 150 services involving 143 recipients with Medicaid payments of \$8,958.80. 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.

Volga Transportation Corp'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 \$3,872.

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 \$2,943,236. The lower confidence limit of the amount overpaid is \$2,487,324. We are 95% certain that the actual amount of the overpayment is greater than the lower confidence limit (Exhibit I). This audit may be settled through repayment of the lower confidence limit of \$2,487,324.

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 October 30, 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/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

Medicaid policy states: "Reporting of Vehicle and Driver License Numbers

On claims for which an ambulette vehicle was used, providers are required to include both:

- the driver license number of the individual driving the vehicle; and
- the license plate number of the vehicle used to transport the beneficiary.

If a different driver and/or vehicle returns the beneficiary 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 2009-1 (effective 1 Jan 09), Section II
Version 2009-2 (effective 15 Apr 09), Section II
Version 2009-3 (effective 5 May 09), Section II
Version 2009-4 (effective 1 Sept 09), Section II
Version 2010-1 (effective 1 Nov 10), Section II
Version 2011-1 (effective 1 Jan 11), Section II
Version 2011-2 (effective 15 Jul 11), Section II
Version 2012-1 (effective 1 Feb 12), Section II*

In 40 instances pertaining to 40 recipients, the claim was missing information in ordering provider ID field. This resulted in a sample overpayment of \$2,391.60 (Exhibit II).

In 14 instances pertaining to 14 recipients, the claim contained inaccurate information in vehicle plate # field. This resulted in a sample overpayment of \$784.40 (Exhibit III).

In 11 instances pertaining to 11 recipients, the claim contained inaccurate information in driver license # field. This resulted in a sample overpayment of \$634 (Exhibit IV).

2. Driver is Not NYS DMV 19A Certified

Regulations state: "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 Section 505.10(e)(6)(ii)

The Medicaid policy states: "Medicaid reimbursement is available to lawfully authorized ambulette providers for ambulette transportation furnished to recipients whenever necessary to obtain medical care. Transportation services are limited to the provision of passenger occupied transportation to or from Medicaid covered services."

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

Version 2006-1 (effective 20 Oct 06), Section II

Version 2006-2 (effective 1 Dec 2006), 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

In 1 instance, the provider did not ensure its drivers complied with DMV certification requirements of Article 19A of the Vehicle and Traffic Law and therefore had non-19A- certified drivers on the claim. This resulted in a sample overpayment of \$62 (Exhibit V).

Total sample overpayments for this audit amounted to \$3,872.

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

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:


 New York State Department of Health
 Medicaid Financial Management, B.A.M.
 GNARESP Corning Tower, Room 2739
 File #: 10-5738
 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 \$2,943,236. 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

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
Office of the Medicaid Inspector General

[REDACTED]
Enclosure
Ver-29.5
Fin-7/16/12

CC:

[REDACTED]

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED

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

NAME AND ADDRESS OF AUDITEE

Volga Transportation Corp.
2407 Avenue X
Brooklyn, NY 11235-2516

PROVIDER ID [REDACTED]

AUDIT #10-5738

AMOUNT DUE: \$2,487,324

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 #10-5738
Albany, New York 12237-0048

Thank you for your cooperation.

**VOLGA TRANSPORTATION CORPORATION
TRANSPORTATION SERVICES AUDIT
AUDIT # 10-5738
AUDIT PERIOD: 01/01/06 – 12/31/09**

EXTRAPOLATION OF SAMPLE FINDINGS

Sample Overpayments	\$	3,872
Services in Sample		150
Overpayments Per Sampled Service	\$	25.8133
Services in Universe		114,020
Meanpoint Estimate	\$	2,943,236
Lower Confidence Limit	\$	2,487,324

VOLGA TRANSPORTATION CORP

MMIS #: [REDACTED]

Audit #: 10-5738

**Missing/Inaccurate Information on Medicaid Claim- Missing Ordering
Provider ID**

Sample #	Date of Service	Billing Code	Amount Disallowed
1	03/11/09	NY100	\$60.00
17	01/21/09	NY100	\$60.00
18	02/20/09	NY100	\$60.00
19	02/08/07	NY100	\$60.00
21	10/31/06	NY100	\$50.00
29	04/01/09	NY100	\$60.00
36	12/12/06	NY102	\$62.00
40	01/08/07	NY100	\$60.00
41	12/16/08	NY100	\$60.00
50	12/22/08	NY100	\$60.00
54	05/04/09	NY100	\$60.00
56	12/04/08	NY102	\$74.40
67	10/31/06	NY100	\$50.00
72	12/04/08	NY102	\$74.40
76	11/15/06	NY102	\$62.00
77	06/01/09	NY102	\$74.40
79	11/18/06	NY100	\$50.00
86	05/14/09	NY100	\$60.00
87	07/07/09	NY100	\$60.00
88	12/15/08	NY102	\$74.40
89	06/03/09	NY100	\$60.00
91	06/25/09	NY100	\$60.00

VOLGA TRANSPORTATION CORP

MMIS #: [REDACTED]

Audit #: 10-5738

**Missing/Inaccurate Information on Medicaid Claim- Missing Ordering
Provider ID**

Sample #	Date of Service	Billing Code	Amount Disallowed
95	07/17/09	NY100	\$60.00
97	01/21/09	NY100	\$60.00
98	03/21/09	NY100	\$60.00
99	12/06/08	NY100	\$60.00
101	11/17/06	NY100	\$50.00
103	10/31/06	NY100	\$50.00
107	12/30/06	NY100	\$50.00
112	07/16/09	NY100	\$60.00
114	03/16/09	NY100	\$60.00
120	05/20/09	NY100	\$60.00
123	01/16/07	NY100	\$60.00
128	02/17/09	NY100	\$60.00
129	11/03/06	NY100	\$50.00
132	02/25/09	NY100	\$60.00
136	07/03/09	NY100	\$60.00
137	05/12/09	NY100	\$60.00
142	03/20/09	NY100	\$60.00
147	01/26/07	NY100	\$60.00
Total Services:	40		\$2,391.60

VOLGA TRANSPORTATION CORP

MMIS #: [REDACTED]

Audit #: 10-5738

Missing/ Inaccurate Information on Medicaid Claim- Incorrect Plate #

Sample #	Date of Service	Billing Code	Amount Disallowed
4	07/18/07	NY100	\$60.00
20	05/15/07	NY100	\$60.00
22	02/06/07	NY100	\$60.00
25	06/15/07	NY100	\$60.00
45	04/21/06	NY100	\$50.00
73	09/07/07	NY100	\$60.00
80	08/01/06	NY100	\$50.00
131	05/02/06	NY100	\$50.00
134	08/01/06	NY100	\$50.00
138	04/25/06	NY100	\$50.00
139	05/24/07	NY102	\$74.40
145	04/23/07	NY100	\$60.00
146	09/07/06	NY100	\$50.00
148	02/14/06	NY100	\$50.00
Total Services:	14		\$784.40

VOLGA TRANSPORTATION CORP

MMIS #: [REDACTED]

Audit #: 10-5738

**Missing/ Inaccurate Information on Medicaid Claim- Incorrect Driver
License #**

Sample #	Date of Service	Billing Code	Amount Disallowed
7	09/29/09	NY100	\$60.00
12	06/26/06	NY100	\$50.00
46	12/30/05	NY100	\$50.00
64	03/31/08	NY100	\$60.00
84	05/27/06	NY102	\$62.00
94	05/04/06	NY102	\$62.00
96	09/27/07	NY100	\$60.00
113	08/06/07	NY100	\$60.00
119	10/19/07	NY100	\$60.00
121	09/17/07	NY100	\$60.00
149	06/24/06	NY100	\$50.00
Total Services:	11		\$634.00

VOLGA TRANSPORTATION CORP

MMIS #: [REDACTED]

Audit #: 10-5738

Driver is Not NYS DMV 19A Certified

Sample #	Date of Service	Billing Code	Amount Disallowed
100	12/16/05	NY102	\$62.00
Total Services:	1		\$62.00

VOLGA TRANSPORTATION CORP

MMIS Number: [REDACTED]

Audit Number: 10-5738

EXHIBIT VI

Page 1 of 1

Sample #	Primary	Secondary
7	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
12	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Driver Is Not Taxi and Limousine Commission Licensed - Invalid TLC License (Both Legs)
18	Missing / Inaccurate Information on Medicaid Claim - Missing Ordering Provider ID #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
29	Missing / Inaccurate Information on Medicaid Claim - Missing Ordering Provider ID #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
40	Missing / Inaccurate Information on Medicaid Claim - Missing Ordering Provider ID #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
46	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
50	Missing / Inaccurate Information on Medicaid Claim - Missing Ordering Provider ID #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #
84	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
94	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
99	Missing / Inaccurate Information on Medicaid Claim - Missing Ordering Provider ID #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #
119	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
121	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
128	Missing / Inaccurate Information on Medicaid Claim - Missing Ordering Provider ID #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
142	Missing / Inaccurate Information on Medicaid Claim - Missing Ordering Provider ID #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #
149	Missing / Inaccurate Information on Medicaid Claim - Incorrect Driver License #	Missing / Inaccurate Information on Medicaid Claim - Incorrect Vehicle Plate #