

DMA ADMINISTRATIVE LETTER NO: 04-07, TRANSPORTATION AUDIT

DATE: July 12, 2007

SUBJECT: Quality Assurance Transportation Audit Results

DISTRIBUTION: County Directors of Social Services
Transportation Coordinators
Medicaid Eligibility Staff

I. BACKGROUND

The Medicaid Quality Assurance Section of the Division of Medical Assistance began a review of the county reimbursements for Medicaid transportation costs in 2002. The purpose of the review was to evaluate the accuracy of Medicaid transportation reimbursements which fall outside the automated process for Medicaid claims payments. The focus of the review was to verify that recipients were authorized for Medicaid on the dates transportation services were provided and to verify that recipients received Medicaid covered services on the dates of the Medicaid transportation.

Due to changing priorities, staffing changes and the complexity of the audit which resulted in delays in the completion of the project, the audit was not finalized until the spring of 2007. The original goal of the audit was to review all 100 counties. However, as the audit progressed, it became increasingly evident that additional time was needed to review and validate the claims. During the audit, the Quality Assurance staff discovered there was not always clear and detailed record keeping by counties which resulted in delays in finalizing results as additional information had to be requested from Transportation Coordinators in order to verify the validity of many of the transportation claims. It became exceedingly more difficult for the Transportation Coordinators to locate recipients and obtain documentation from medical providers. As a result of the complexity of this project, only 60 counties were audited. To have a representative sample, the results include a cross section of small, medium and large counties. The counties that were audited received a letter outlining the results of findings in their respective county. The purpose of this letter is to share with you the overall findings of the audit, including some of the corrective measures counties took to address their problems.

II. AUDIT PROCESS

The Quality Assurance staff requested from counties, Transportation Logs, DMA-2056 and Reimbursement Request forms, DMA-2055. Counties provided logs ranging from July 1999 to November 2003.

The policy contained in DMA Administrative Letter 01-95, Transportation of Medicaid Recipients to and from Medical Care Providers, and Addendums 1, 2 and 3 was used to determine if transportation claims had been paid in accordance with this policy that was in effect at the time the services were provided. Please note that the transportation policy currently found in the Family & Children's Medicaid Manual, Section MA-3550 and in the Adult Medicaid Manual, Section 2910, became effective after this audit.

The policy revisions provide procedures that address problems identified by the audit. If you have questions regarding current transportation policy, contact DMA's Medicaid Eligibility Unit.

The following steps were taken to conduct the audit:

1. Eligibility information was verified through EIS to determine if the recipient was authorized for Medicaid on the date of transport.
2. If the recipient was authorized, EDS claims were researched to determine whether:
 - A provider billed Medicaid for a medical service for the date transportation was provided.
 - A Medicaid covered service was provided for the recipient at the destination shown the Transportation Log, DMA-2056.
3. If the Quality Assurance Section was unable to find a claim billed to Medicaid, the county's Transportation Coordinator was contacted to request additional information regarding the specific claim. The additional information the Transportation Coordinators provided was considered in determining if the transportation claim was allowable.
5. A report of findings was prepared and sent to the county DSS. Each county was given 30 days to respond if the county disagreed with the findings contained in the report. If the county provided additional information, that information was reviewed and appropriate changes were made in the audit findings prior to the issuance of the final letter.

III. FINDINGS

The Quality Assurance Section reviewed 15,843 claims with Medicaid reimbursements totaling \$397,892.52. They found that 1,567 claims totaling \$38,379.59 did not meet the criteria required by policy to claim reimbursement. This resulted in an overall error rate of 9.89% based on the number of ineligible claims and a payment error rate of 9.65% based on the dollar amount of ineligible claims. The individual counties payment error rates ranged from 0% to 41.41%. The table below outlines errors found:

	Number of Claims in Error	Reason for Ineligibility
1.	1068	No evidence that a medical service was received on the date of transport.
2.	164	Transportation provided to non-allowable services such as WIC voucher pick up, after school care and employment.
3.	113	Recipient was not authorized for Medicaid on the date transportation was provided.
4.	91	Reimbursement claimed for transportation provided for MQB and NC Health Choice recipients.
5.	77	Reimbursement claimed when recipient failed to keep transportation appointment or cancelled medical appointment.
6.	16	Transportation reimbursement claimed for lunches on trips that did not include an overnight stay.
7.	14	Transportation was provided for Special Assistance recipients not participating in the SA In Home Program.
8.	13	Transportation claimed when the only medical service provided was received at the recipient's home as home health or personal care services.
9.	3	Transportation was billed twice for same trip.
10.	2	Medicaid identification number (MID) and corresponding recipient name did not match. Unable to determine if valid claim existed.
11.	2	Transportation was provided for recipient residing in skilled nursing facility.
12.	2	Medicaid reimbursement claimed when transportation provider was unable to transport recipient.
13.	1	County paid provider directly for ambulance transportation rather than requiring ambulance provider to bill EDS.
14.	1	County paid for attendant's "wait time".
	1567	Total Claims in Error

In addition to the errors listed above, the audit identified the following problems with some transportation logs which did not necessarily result in an error:

- Logs listed name of parent or spouse rather than Medicaid recipient who received the transportation service.
- Logs were illegible. It was difficult to determine dates and names of recipients transported.

- Transportation reimbursements claimed as Other Transportation instead of Direct Client Reimbursements.
- Medicaid ID numbers listed on logs belonged to other recipients or numbers were missing.
- Logs listed the date transportation was requested rather than the date of transportation.
- Dates listed on logs were the dates the county paid recipients instead of the actual transportation dates.
- Required information such as transportation providers, whether trips were one way or round trip, whether transportation was Client reimbursement or Other reimbursement was not listed on logs.
- Transportation provided did not appear to be cost effective. Example: A recipient made multiple trips to a drug store at a cost far exceeding the cost of the prescription. Transportation was provided to a recipient at 94 miles per trip for a cost of \$79.09 per trip.
- Some charges appeared to be excessive. Example: The cost to transport a recipient from one point to another ranged from \$403.02 to \$843.90.
- The total amount listed on the reimbursement form did not match the total on the transportation log.

IV. CORRECTIVE ACTION PLANS

Counties with error rates higher than 3% were asked to provide a corrective action plan outlining the steps the county would take to correct problems the audit identified. These were some of the corrective action measures counties took to address the most common errors.

Error: No evidence that Medicaid covered services were received on the dates of transport.

- Workers will maintain files with documentation on each recipient who requests transportation services. The documentation will include a copy of the recipient's appointment card and confirmation from a medical provider.
- The agency staff received training in Medicaid transportation policy.
- The staff routinely calls and verifies appointments of recipients whose appointments are questionable for reimbursement.

- The agency has produced two brochures that help educate recipients on the services available and what is an appropriate use of Medicaid transportation.
- The agency developed an in-house Medicaid Transportation Manual that provides direction to staff authorizing transportation.
- The agency randomly samples 10% of the completed trips each month to verify that the trip took place and its appropriateness for billing under Medicaid transportation.
- A computerized Medicaid transportation program was put into place. This system houses the Medicaid recipient by name, individual I.D., assessment date, certification/authorization dates and medical provider authorized.

Error: Transportation provided to non-allowable services such as WIC voucher pick up, after school care and employment

- To ensure that Medicaid transportation is not provided for a non-allowable service, recipients will be asked to review the list of medically related approved services.
- The agency spoke with the Health Department staff to ascertain they are aware that Medicaid will not pay for transportation to pick up WIC vouchers.
- Verify that the service is Medicaid covered service by contacting the provider, or DMA Managed Care Section.

Error: Recipients were not authorized for Medicaid on the dates transportation was provided.

- EIS Current Case Data will be accessed at the time an application is taken to verify Medicaid certification period.
- The recipient receiving transportation services will show his/her Medicaid card to the driver.

Error: Reimbursement claimed for transportation provided for MQB and NC Health Choice recipients.

- The Transportation Coordinators have received extensive training on Medicaid aid/program categories in order to ensure transportation services are only provided to eligible Medicaid recipients.
- EIS Current Case Data will be accessed to verify aid program, category and Medicaid classification to ensure that the transportation is provided to an eligible recipient.

Error: Reimbursement claimed when recipients failed to keep transportation appointments or cancelled medical appointments.

- Agency adopted a no-show policy. The no-show policy warns the Medicaid recipient of the possible loss of transportation services if there is another no show within a certain period of time. The transportation company provides a list of no shows each month. Each transportation company is aware of the no show policy.
- Agency has implemented a new billing system that more easily identifies “no-shows”. On a monthly basis the transportation coordinator identifies the no shows by reviewing the monthly billing and making a list of recipients and the amounts to be subtracted from the reimbursements.

If you have questions regarding information contained in this letter, contact the Program Integrity Quality Assurance Section at (919) 647-8140.

Mark Benton, Director

(This material was researched and written by Dora Boissy, Quality Assurance Section)