



Dave Yost • Auditor of State

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**KAFARU MEDICAL TRANSPORTATION, LLC  
CUYAHOGA COUNTY**

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# Dave Yost • Auditor of State

## Independent Auditor's Report

Mukaila Kafaru, Owner  
Kafaru Medical Transportation, LLC  
2490 Lee Boulevard, Suite 319B  
Cleveland, Ohio 44118-1271

Re: *Medicaid Provider Number 2800124*

Dear Mr. Kafaru:

We examined Kafaru Medical Transportation, LLC (the Provider) for compliance with Ohio Administrative Code (Ohio Admin. Code) § 5101:3-15 during the period of January 1, 2008 through December 31, 2010. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code. Management is responsible for Kafaru Medical Transportation's compliance with those requirements.

Our examination included reviewing, on a test basis, evidence about the Provider's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our conclusions. Our examination does not provide a legal determination on the Provider's compliance with specified requirements.

We examined 648 ambulette services and found significant noncompliance with driver qualification requirements, certificates of medical necessity and documentation of service delivery. While some of the Provider's records were located in file cabinets; others were scattered in piles across the floor of the Provider's one room office. The records were disorganized and had personal correspondence interspersed among the medical transportation service documentation. We noted that the Provider did not obtain the required documents for any of the drivers identified in the records. We found no complete personnel files for anyone associated with the Provider and we received conflicting information as to the number and identities of the individuals that were driving the ambulettes during the audit period.

In addition, we identified 374 errors relating to non-compliance with the requirements for certificates of medical necessity and documentation of transports. (See Results in Compliance Report). We found the Provider was overpaid by Ohio Medicaid for ambulette services between January 1, 2008 and December 31, 2010 in the amount of \$347,968.76. This finding plus interest in the amount of \$52,166.71 (calculated as of December 4, 2012) totaling \$400,135.47 is due and payable to the Office of Medical Assistance (OMA) upon OMA's adoption and adjudication of this examination report.<sup>1</sup> After adjudication by OMA, additional interest may be assessed until the finding and interest is paid in full.

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<sup>1</sup> Effective September 10, 2012. OMA replaced the Ohio Department of Job and Family Services (ODJFS) as the single state agency responsible for supervising the administration of Ohio's Medicaid program pursuant to Ohio Rev. Code § 5111.01.

When the Auditor of State's Office (AOS) identifies fraud, waste or abuse by a provider in an examination,<sup>2</sup> any amount in excess of that legitimately due to the provider will be recouped by OMA through its office of fiscal and monitoring services, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5101:3-1-29(B). Therefore, a copy of this report will be forwarded to OMA because it is the state agency charged with administering Ohio's Medicaid program. OMA is responsible for making a final determination regarding recovery of our findings and any accrued interest. If you agree with the findings contained herein, you may expedite repayment by contacting OMA's Office of Legal Services at (614) 752-3631.

Copies of this report are also being sent to the Medicaid Fraud Control Unit of the Ohio Attorney General's Office; the U.S. Department of Health and Human Services/Office of Inspector General; and the Ohio Medical Transportation Board. In addition, copies are available to the public on the Auditor of State website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

Sincerely,

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

**Dave Yost**  
Auditor of State

May 14, 2013

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<sup>2</sup> "Fraud" is an intentional deception, false statement, or misrepresentation made with the knowledge that the deception, false statement, or misrepresentation could result in some unauthorized benefit to oneself or another person. "Waste and abuse" are practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or, medical practices; and that constitute an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program. Ohio Admin. Code § 5101:3-1-29(A).

## Compliance Report for Kafaru Medical Transportation, LLC

### Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. Medicaid provides health coverage to families with low incomes, children, pregnant women, and people who are aged, blind, or who have disabilities. Hospitals, long-term care facilities, managed care organizations, individual practitioners, laboratories, medical equipment suppliers, and others (all called "providers") render medical, dental, laboratory, and other services to Medicaid patients. The rules and regulations that providers must follow are specified in the Ohio Administrative Code and the Ohio Revised Code. The fundamental concept underlying the Medicaid program is medical necessity of services: defined as services which are necessary for the diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. See Ohio Admin. Code § 5101:3-1-01(A).

The Auditor of State performs examinations to assess provider compliance with Medicaid reimbursement rules to ensure that services billed to Ohio Medicaid are properly documented and consistent with professional standards of care, and medical necessity. According to Ohio Admin. Code § 5101:3-1-17.2(D), Medicaid providers must "maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions" for a period of six years or until any audit initiated within the six year period is completed. Providers must furnish such records for audit and review purposes. Ohio Admin. Code § 5101:3-1-17.2(E)

The Provider's Ohio Medicaid provider number is 2800124 and the Provider is a transportation company located in Cuyahoga County, Ohio, that renders ambulette services to Ohio Medicaid recipients. The Provider received reimbursement of \$347,968.76 for 25,161 ambulette services rendered on 6,105 recipient dates of service<sup>3</sup> during the examination period.

Some Ohio Medicaid patients may be eligible to receive transportation services provided by an ambulette provider. See Ohio Admin. Code § 5101:3-15-03(B)(2). Qualifying ambulette services must be certified as medically necessary by an attending practitioner<sup>4</sup>, for individuals who are:

1. Non-ambulatory,
2. Able to be safely transported in a wheelchair, and
3. Do not require an ambulance.

All medical transportation services must be prescribed by a Certificate of Medical Necessity (CMN) except for ambulance transports to a hospital emergency room and ambulance or ambulette transfers of individuals, who are non-ambulatory, from one hospital to another hospital if the services provided at the second hospital are covered by Medicaid. See Ohio Admin. Code § 5101:3-15-02(E)(4).

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<sup>3</sup> A recipient date of service is defined as all services for a given patient on a specific date of service.

<sup>4</sup> "Attending practitioner" is defined as the practitioner (*i.e.*, primary care practitioner or specialist) who provides care and treatment to the patient on an ongoing basis and who can certify the medical necessity for the transport. An attending practitioner can be a doctor of medicine, a doctor of osteopathy, a doctor of podiatric medicine, or an advanced practice nurse. Ohio Admin. Code § 5101:3-15-01(A)(6).

Ambulette providers must maintain records describing the transportation services including:

- The time of scheduled pick up and drop off, attendant name, patient name and Medicaid number, driver name, vehicle identification, name and address of the Medicaid covered service provider at the Medicaid covered point of transport, pick-up and drop-off times, the type of transport provided, and mileage;
- the original CMN; and
- Current certification or licensure for the drivers and attendants.

See Ohio Admin. Code § 5101:3-15-02(E)(2)

**Purpose, Scope, and Methodology**

The purpose of this examination was to examine Medicaid reimbursements made to the Provider for services and determine whether the Provider's Medicaid claims for reimbursement complied with Ohio Medicaid regulations. Please note that all rules and code sections relied upon in this report were those in effect during the audit period and may be different from those currently in effect. At the conclusion of the examination, we will identify, if appropriate, any findings resulting from non-compliance.

The scope of the engagement was limited to an examination of ambulette services for which the Provider rendered services to Medicaid patients and received payment during the period of January 1, 2008 through December 31, 2010.

We received the Provider's paid claims history from the Medicaid Management Information System (MMIS) database of services billed to and paid by Ohio's Medicaid program. We summarized paid services by recipient date of service (RDOS) and selected a statistical random sample based on RDOS to facilitate a timely and efficient examination of the Provider's ambulette services as permitted by Ohio Admin. Code § 5101:3-1-27(B)(1). Due to the skewness in the population, we used a stratified approach. The following table shows the final sampling approach:

<b>Universe/Strata</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selection Method</b>
Strata 1 – Less Than \$25.00	15	15	Census
Strata 2 – Greater Than or Equal To \$25.00 and Less Than \$75.00	5,851	100	Stratified Random
Strata 3 – Greater Than or Equal to \$75.00	239	30	Stratified Random
<b>Total</b>	<b>6,105</b>	<b>145</b>	

The selected RDOS were then matched against the paid claims to pull the services for the sampled RDOS. The matching was done by recipient identification and service date. A total of 648 services were pulled for the 145 sampled RDOS. We also examined employee files for those that were employed as drivers during the review period to ensure that the certification requirements were met prior to rendering services. In addition, we reviewed annual vehicle records to verify that ambulettes were appropriately licensed by the Ohio Medical Transportation Board (OMTB).

An engagement letter was sent to the Provider on October 27, 2012, setting forth the purpose and scope of the examination. Our fieldwork was performed in November 2012. After conducting our initial review of records on-site, we requested any documentation not provided to us during our

initial review. The Provider communicated on November 15, 2012 and again on February 19, 2013 that all documentation had been made available for our examination and no other records were available to support the claimed services.

## Results

We found that the Provider had no drivers that met all of the driver required qualifications and as a result identified the total amount paid by Ohio Medicaid for ambulette services as an overpayment. We also reviewed 648 ambulette transportation services and identified 374 errors. The sample included 332 paid claims for the transportation services and 314 paid claims for mileage. Our review found that the Provider had not obtained any CMNs to support the medical necessity for 170 ambulette transports during the review period. In addition to the lack of CMNs, trip documentation was either missing or failed to contain the required elements. The non-compliance issues identified with CMNs and the Provider's trip documentation would have resulted in the identification of overpayments for certain services, had they not already been denied for non-compliance with driver qualifications.

### A. Driver Qualifications

All ambulette drivers must pass a criminal background check and have a signed medical statement from a licensed physician declaring the individual does not have a medical, physical or mental condition or impairment which could jeopardize the health or welfare of patients being transported. Also, each driver must undergo testing for alcohol and controlled substances by a certified laboratory and be determined to be drug free. Background checks, medical statements, and drug test results must be completed and documented before the driver begins providing ambulette services or within 60 days thereafter. Prior to employment, each driver must obtain first aid and Cardiopulmonary Resuscitation (CPR) certification (or have an Emergency Medical Technician certification), provide a copy of his/her driving record from the Bureau of Motor Vehicles (BMV), and complete passenger assistance training. In addition, each driver must provide copy of BMV driving record on annual basis. See Ohio Admin. Code § 5101:3-15-02(C)(3).

We selected 181 transports to review; however, trip documentation was available for only 97 of these transports. Our review of these 97 trips found that 26 had no driver identified and 6 listed the name of a driver other than the Provider's owner. Initially, the owner claimed to be the only driver; however, when we inquired about other names found on trip documentation and various documents found in the Provider's records, he stated other people filled in for him occasionally. During our on-site review of the Provider's documents, we found no organized personnel files for other individuals; however, we did find documents, such as an invoice for testing for alcohol and controlled substances for another individual. We also found logs documenting the purchase of gasoline and these logs included the license plate number and name of purchaser. We noted that the license plate numbers matched those of the licensed vehicles but there were different individuals identified as the purchaser. As a result we could not verify the number, identify or qualifications of drivers at this Provider.

We found the owner was not qualified as an ambulette driver during the examination period. Of the pre-employment requirements for drivers, we found the Provider was only in compliance with having a background check and first aid certification for the audit period. We did not find a driver's license for the Provider or any BMV driving records, and there were no drug test results until after the audit period. The Provider had CPR certification for only one year out of the three-year audit period. Neither the Passenger Assistance Training nor the medical examination was obtained prior to 2009.

All of the services provided were identified as ineligible for reimbursement due to lack of qualified drivers.

**Recommendation:**

The Provider should develop and implement a system to ensure that all drivers complete required documentation prior to employment. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

**B. Certificate of Medical Necessity**

All transportation providers are required by Ohio Admin. Code § 5101:3-15-02(E)(2) to obtain a CMN that has been signed by an attending practitioner that documents the medical necessity of the transport. Ambulette providers must obtain the completed, signed and dated CMN prior to billing the transport. See Ohio Admin. Code §5101:3-15-02(E)(4)(d).

The Provider responded to an official survey from OMA's Surveillance and Utilization Review Section in January 2012 indicating that it was aware of the requirement to have CMNs in order for ambulette services to be covered by Medicaid, and that it had been aware of this requirement since 2006. We reviewed the CMNs for 332 transports and found that the Provider did not have CMNs for 170 of those services. In addition, 24 of the CMNs present were not signed by a qualified practitioner. We inquired about the lack of CMNs and the Provider reported that it did not think CMNs were required for dialysis patients.

In addition to the CMN non-compliance issues noted above, none of the CMNs reviewed were complete. The CMNs consistently did not contain any medical condition and did not indicate that the recipient met the criteria for an ambulette transport.

**Recommendation:**

The Provider should establish a system to obtain the required CMNs and to review those CMNs to ensure they are complete prior to billing Medicaid for the transport. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

**C. Trip Documentation and Vehicle Licensure**

Trip documentation should describe the transport from the time of pick-up, time of drop-off, mileage, addresses to and from destination points and the driver's name for each trip. This requirement is necessary to calculate the correct payment prior to billing Ohio Medicaid. See Ohio Admin. Code § 5101:3-15-02(E)(2)(a). Ambulette providers must also comply with all federal and state rules including vehicle licensing requirements established by OMTB. Ohio Admin. Code § 5101:3-15-02(A)(2).

Due to the issues identified with the driver qualifications, we reviewed trip documentation for 181 of the transports in our sample. The examination found the following non-compliance issues with the Provider's trip documentation:

- 84 services with no service documentation; and
- 97 services where the documentation was incomplete – missing pick up and drop off times, Medicaid covered point of transport, addresses, mileage, identification of driver and identification of vehicle;

For the entire sample reviewed, the trip documentation was either missing or was incomplete. The incomplete documentation was missing more than one of the required elements. None of the trip documentation identified the vehicle used in the transport. In reviewing information regarding licensing of vehicles, the earliest OMTB Certificate of Licensure found was from September, 2008. However, without the documentation of which vehicle was used to transport each patient, we cannot determine if patients were transported in a vehicle with an OMTB permit.

**Recommendation:**

The Provider should develop and implement procedures to ensure that all service documentation fully complies with requirements contained in Ohio Admin. Code § 5101:3-15-02. In addition, the Provider should implement a quality review process to ensure that documentation is complete prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

**Provider Response**

A draft report along with a detailed list of services for which we took findings was mailed to the Provider on May 28, 2013, and the Provider was afforded an opportunity to respond to this examination report.

The Provider responded that he had an office at a prior location on Euclid Avenue in Cuyahoga County. The Provider indicated that sometime in 2008 or 2009, he found his office unlocked and he believes someone may have broken into the office. He stated that he made the landlord aware of the incident but he did not report any documents or other property missing at that time. He also stated that he now thinks that during this incident it is possible some of his documents may have been taken.

AOS response: The period covered in this examination included calendar years 2008, 2009 and 2010 – some or most of the audit period occurred after the alleged incident. In his response the Provider indicated that he had no additional documentation to support his services other than what had previously been provided to AOS. The Provider did not identify any specific documents that were allegedly taken during the alleged incident at his prior office.

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# Dave Yost • Auditor of State

**KAFARU MEDICAL TRANSPORTATION, LLC**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 9, 2013**