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Tuesday, June 5, 2018

Chairman Burke, Vice Chair Beagle, Ranking Member Tavares and members of the Ohio Senate Health Human Services and Medicaid Committee, thank you for the opportunity to provide opposition testimony on Senate Bill 218. My name is Scott Arthur, and I am the Director of Operations for Patient Transport Services in Loveland, Ohio.

Senate Bill 218 is based on assumptions from the Auditor's office, and that source document is attached to this written opposition testimony.

While the reduction or elimination of waste, fraud and abuse in Ohio's Medicaid program is important—SB 218 specifically targets an industry that by the auditor's own admission has a very low rate of fraud. I have outlined several points for your consideration.

All percentages, etc., are from the Auditor's own document (Attached.)

1. The grouping of Home Health and Transportation is wholly inappropriate.
 - a. Based on the auditor's office's information, 1.2% of transportation providers have been convicted of fraud as compared to 15.1% of Home Health—more than 10 times the percentage of transportation providers.
 - b. 81.1% of total Medicaid fraud convictions are home health providers while 3.1% of convictions are transportation providers—further proof that the grouping of these two industries is inappropriate.
 - c. No comparisons to other Medicaid provider industries—are other provider groups any better?
2. Opening of the document states that these two industries account for 16% of the 92,000 Medicaid providers in Ohio—what percentage is Transport alone?
3. The Auditor's document does not acknowledge the difference between a billing error [such as level of service or missing documentation] and fraud [billing for services not provided or a pattern of failure to obtain documentation.]
4. The requirement of a surety bond is another unfunded mandate.
 - a. Legislated reimbursements are flat, and actual reimbursements are down due to the Medicaid transportation brokerage system that is in place.

Scott M. Arthur's Opposition Testimony to Senate Bill 218 (Continued)

Friday, June 1st, 2018

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- b. Adds an additional cost to services provided that are already below cost. Medicaid and Managed Medicaid patients consistently receive transportation services in excess of the reimbursement for those services provided.
 - c. A Surety Bond is unnecessary—1.2% of providers does not indicate a 'high risk' industry.
5. Requiring Continuing Education for providers
- a. Cites 'lack of awareness of documentation, licensing and certification they are expected to provide. This statement is far to general—does this statement apply to Transport or Home Health? Also—EMT's and Paramedics (the individual's providing ambulance transportation) are required to obtain continuing education (between 40 and 86 hours, depending on the certification level) on a three year cycle in Ohio, and are subject to random audit by the Ohio Emergency Medical, Fire and Transportation Board to ensure compliance.
 - b. Clear guidance on Medicaid requirements would always be welcome.
6. Does not recognize the differences in Medicaid transportation benefits.
- a. There are 4 levels of transportation provided by licensed providers in Ohio:
 - i. Wheelchair, Basic Life Support, Advanced Life Support and Specialty Care Transport/Mobile Intensive Care Transport.
 - b. The transportation providers and the EMT's and Paramedics providing care are licensed by the Ohio Emergency Medical, Fire and Transportation Board.
 - c. Runs counter to the statement 'Providers are being overpaid are typically un-certified in specific areas and lack basic documentation of the services they provide to their clients.'
 - d. Licensure, Certification & documentation of services provided are all examined by EMFTS inspectors annually.

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e. What about the difference between providers that are licensed to only provide one type of transportation service (such as wheelchair) as compared to those licensed to provide multiple types of transportation?

7. Increasing reimbursement requirements will only result in fewer providers, which will result in less care being available for the most vulnerable Ohioans.

I hope that you consider these points. Adding yet another unfunded mandate to an under-reimbursed industry will only reduce the care available to vulnerable Ohioans.

Thank you for your consideration and I'm happy to answer any questions you may have.

Respectfully Submitted,

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Promoting Integrity in Ohio's Medicaid Program

- Currently there are 92,000 Medicaid providers in Ohio. Transportation and Home Health Medicaid Providers make up:
 - 16% of all providers
 - 84% of fraud convictions
 - \$20 million in ordered repayment since 2012
 - \$50 million in monetary penalties
 - Only 5% is recovered
- Providers being overpaid are typically un-certified in specific areas, and lack basic documentation of the services they provide to their clients. This leads to providers fraudulently billing Medicaid for services not rendered.

Preventive Measures

- ***Surety Bonds:***
 - Requiring high-risk providers to provide a surety bond to the Department of Medicaid would allow the state to recoup losses from fraud and overpayment.
 - This bill requires all Medicaid transportation providers and home health agencies to hold a \$50,000 surety bond. Independent home health aides who have been sanctioned or terminated in the past 5 years will be required to provide a surety bond for 3 consecutive years.
 - States including Florida, Texas, Indiana, and New York, have utilized this approach. The concept was also proposed in HB 12 of the 129th General Assembly, which was sponsored by then-Representative Barbara Sears.
- ***Requiring Continuing Education***
 - Some Medicaid providers lack awareness of the documentation, licensing, and certification they are expected to provide. Because of this, they often improperly bill Medicaid.
 - Providers' agreements filed with the Department of Medicaid state that they have read and understand each of these requirements, however there is no way to ensure their continued understanding and compliance.



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- This bill would require specific training for home health and transportation providers, and make completion of the training a prerequisite for provider approval by the Department.

Attorney General Medicaid Fraud Data

	Convictions	% of Providers	% of total fraud	Ordered Penalties
Home Health	520	15.1	81.1	\$45,449,250.79
Transportation	20	1.2	3.1%	\$4,194,346.11

Total Medicaid Fraud

Convictions	641
Ordered Monetary Penalties	\$301,424,794.43

Auditor of State Medicaid Audits

	Number of Examinations	Amount of Improper Medicaid Payment
Home Health Agency	17	\$12,583,153
Home Health Independent Provider	33	\$2,356,268
Medical Transportation	30	\$7,988,540