

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF THE MAINTENANCE
OF MEDICAL NECESSITY FORMS FOR
NON-EMERGENCY TRANSPORTATION
OF MEDICAID RECIPIENTS**



**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



September 29, 2006

Gregg A. Pane, MD
Director
Department of Health
825 North Capital Street, N.E., Suite 4400
Washington, D.C. 20002

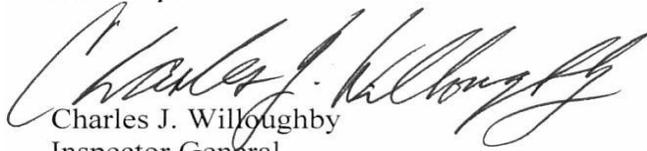
Dear Dr. Pane:

Enclosed is our final audit report summarizing the results of the Office of the Inspector General's (OIG) *Audit of the Maintenance of Medical Necessity Forms for Non-Emergency Transportation of Medicaid Recipients* (OIG No. 05-2-18HC(b)). This audit is part of our continuous coverage of the District's Medicaid Program. The report is the second of a series of audits covering the Department of Health's (DOH) Non-Emergency Transportation of Medicaid recipients.

On August 3, 2006, we issued a Management Alert Report (MAR 06-A-09) informing the Director of DOH of the results of our review of DOH's policies and procedures covering the maintenance of Transportation Request and Medical Necessity Certification forms. We received a response to the MAR from DOH on August 23, 2006. We consider the actions taken and/or planned to be responsive to each of our four recommendations. The full text of DOH's response is included at Exhibit C.

We appreciate the cooperation and courtesies extended to our staff during the audit. If you have questions, please contact William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,



Charles J. Willoughby
Inspector General

Enclosure

CJW/hw

cc: See Distribution List

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**AUDIT OF THE MAINTENANCE OF MEDICAL NECESSITY FORMS
FOR NON-EMERGENCY TRANSPORTATION
OF MEDICAID RECIPIENTS**

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EXECUTIVE DIGEST

OVERVIEW

The District of Columbia Office of the Inspector General (OIG) has completed an audit of the maintenance of Medical Necessity forms for non-emergency transportation of Medicaid recipients. This audit is part of our continuous coverage of the District's Medicaid Program. The report is the second of a series of audits covering the Department of Health's (DOH) non-emergency transportation of Medicaid recipients. The first audit in the series reviewed a DOH contractual arrangement for non-emergency Medicaid transportation services that bypassed the normal procurement process.¹ This second audit focused on a review of DOH's policies and procedures for maintaining the Transportation Request and Medical Necessity Certification form (Medical Necessity form)² for transportation of Medicaid recipients.

Procedures covering the Medical Necessity form are contained in the District of Columbia Department of Health Access Guide (August 2001) (Access Guide). Rules governing maintaining Medical Necessity forms by participating medical providers are contained in the District of Columbia Department of Health, Medical Assistance Administration Provider Billing Manual.

The Non-Emergency Transportation Program (NET Program)³ is administered by the DOH Medical Assistance Administration, Office of Program Operations. The objective of the NET Program is to provide transportation services for Medicaid recipients receiving various forms of medical services. Recipients qualify for transportation assistance after completing a Medical Necessity form at a participating medical provider, which is certified by a doctor or other medical facility staff members.

The DOH uses the Medical Necessity forms to document and substantiate a recipient's medical condition to justify various modes of transportation (such as taxicab, van, or bus) when receiving treatment or seeking other medical services. We noted that maintenance of the Medical Necessity form was a matter of interest to the District of Columbia City Council Chairman of the Committee on Health during a Public Oversight Hearing held on March 31, 2006.

¹ See Audit of a Contractual Arrangement for Non-Emergency Transportation of Medicaid Recipients (05-2-18HC(a)), dated May 5, 2006

² See Exhibit B for a copy of the Transportation Request and Medical Necessity Certification form.

³ The Non-Emergency Transportation Program provides transportation to program participants by van, taxicab, or by bus using bus tokens. The OIG previously issued the *Audit of the Department of Health Taxicab Voucher Program for Medicaid Recipients* (OIG 04-1-04HC) on December 13, 2004; however, this report focuses on van transportation only.

EXECUTIVE DIGEST

CONCLUSIONS

The DOH Medical Assistance Administration (MAA) did not maintain Medical Necessity forms for nearly all of the 8,607 participants who received transportation benefits at a cost of \$16.3 million from the NET Program in fiscal year (FY) 2005. The maintenance of the Medical Necessity form is essential for controlling the total cost of the NET Program because it authorizes the District's Medicaid recipients to receive various modes of transportation assistance when receiving treatment or seeking other medical services. This condition occurred because MAA required and relied on the medical facilities to maintain the Medical Necessity forms. Further, MAA had not performed any on-site visits or reviews at the medical facilities to ensure that the forms were being maintained. Although MAA required the medical facilities to maintain the Medical Necessity forms, MAA policies and procedures do not require medical facilities to submit completed and approved forms to MAA.

Due to MAA's failure to properly maintain Medical Necessity forms, DOH cannot determine the total number of authorized participants who utilized the NET Program. DOH also cannot substantiate the medical condition that warranted transportation for program participants who received transportation services during FY 2005. Moreover, failure to maintain all of the Medical Necessity forms is a serious breach of basic internal controls, which may have resulted in additional program costs to the District of Columbia.

SUMMARY OF RECOMMENDATIONS

In an OIG Management Alert Report (MAR 06-A-09, we directed four recommendations to the Director, DOH which focused on: (1) ensuring the maintenance of the Medical Necessity forms; (2) amending DOH's Access Guide to require that medical facilities submit a copy of each completed and approved Medical Necessity form to MAA; (3) issuing written guidelines requiring MAA to perform periodic reviews of the Medical Necessity forms; and (4) implementing controls to ensure the need for van transportation.

MANAGEMENT RESPONSES AND OIG COMMENTS

DOH provided a written response to our MAR on August 21, 2006. We consider the actions taken and/or planned to be responsive and meet the intent of our recommendations. The full text of DOH's response is included at Exhibit C.

INTRODUCTION

BACKGROUND

The Office of the Inspector General (OIG) has completed an audit of the maintenance of Medical Necessity Forms for non-emergency transportation of Medicaid recipients. This report is the second in a series of audits covering the Department of Health's (DOH) non-emergency transportation of Medicaid recipients. The first audit in the series reviewed a DOH contractual arrangement for non-emergency Medicaid transportation services that bypassed the normal procurement process.⁴ This second audit focused on a review of DOH's policies and procedures for the maintenance of the Transportation Request and Medical Necessity Certification form (Medical Necessity form) for transportation of Medicaid recipients.

Medical Assistance Administration (MAA). MAA is the District's state agency responsible for administering Title XIX of the Social Security Act, the Medical Charities Program, the District's Medicaid Program, and other health care financing initiatives of the District. MAA works to develop eligibility, service coverage, service delivery, and reimbursement policies for the District's health care financing programs in order to improve access and efficient service delivery.⁵

Title XIX of the Social Security Act requires that, in order to receive federal matching funds (i.e., for Medicaid costs), certain basic services must be offered to certain categories of the needy population of any state. As such, the District's Medicaid State Plan requires that the state agency (District of Columbia) must provide effective access to healthcare for the recipient population and maintain continuity of care.

Non-Emergency Transportation Program. The Non-Emergency Transportation Program (NET Program)⁶ is a service provided to eligible Medicaid recipients, funded by DOH and administered by the DOH MAA Office of Program Operations. It is a non-emergency medical transportation service that utilizes enrolled Medicaid transportation service providers to provide para-transit (wheelchair and ambulatory) service, including lift-equipped vehicles. The NET Program also utilizes enrolled taxicab operators and provides reimbursement for bus tokens issued by facilities to eligible recipients who use the Metro bus system.

The purpose of this service is to assist Medicaid-eligible recipients receiving medical treatment and to aid individuals seeking to obtain medical evaluations. Any District resident

⁴ See Audit of a Contractual Arrangement for Non-Emergency Transportation of Medicaid Recipients (05-2-18HC(a)), dated May 5, 2006.

⁵ [Http://doh.dc.gov/doh/cwp/view.a,3,q,573226,dohNav_GID,1807.asp](http://doh.dc.gov/doh/cwp/view.a,3,q,573226,dohNav_GID,1807.asp) (last visited on Sept. 14, 2006).

⁶ The Non-Emergency Transportation Program provides transportation to program participants by van, taxicab, or by bus using bus tokens; however, this audit report focuses on van transportation only.

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who is enrolled in Medicaid is eligible to participate in the program. NET Program information covering FY 2005 is illustrated in Table 1 below.

Table 1. Non-Emergency Van Transportation Information				
Total Costs	Total Number of Claims Paid	Total Number of Participants Served	Average Costs Per Participant	Average Costs Per Claim
\$16,310,368	427,898	8,607	\$1,895	\$38.12

Transportation Request and Medical Necessity Certification Form. All eligible NET Program participants must have a Medical Necessity form completed on their behalf at an authorized medical facility every 90 days. Once the form is completed, it should be submitted to MAA, indicating the name of a client and the type of transportation needed. Maintenance of the Medical Necessity form is essential for controlling the total cost of the NET Program because it authorizes the District’s Medicaid recipients to receive various modes of transportation assistance when receiving treatment or seeking other medical services

OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to determine whether the Department of Health: (1) operated the NET Program in an efficient, effective, and economical manner; (2) complied with requirements of applicable laws, rules and regulations, policies and procedures; and (3) documented reimbursements properly and for the correct amounts.

To accomplish our objectives, we judgmentally selected 385 transportation claims that were submitted to DOH for payment by 4 non-emergency transportation providers (providers) for 32 NET Program participants. We also conducted site visits at the six medical facilities where treatment was provided to these participants. Interviews and discussions were held with responsible DOH officials to obtain a general understanding of procedures covering Medical Necessity forms. In addition, on March 31, 2006, we attended a District of Columbia Public Oversight Hearing where the maintenance of Medical Necessity forms was a topic of interest.

We also relied on computer-processed data from the Medicaid Management Information System to obtain detailed information on the NET Program for FY 2005 (for example, the total number of NET Program transportation claims and related expenditures). Although we did not perform a formal reliability assessment of the computer-processed data, we traced or verified selected data to supporting documents and records.

INTRODUCTION

The audit was conducted in accordance with generally accepted government auditing standards and included such tests as we considered necessary under the circumstances.

FINDING AND RECOMMENDATIONS

FINDING: MAINTAINING MEDICAL NECESSITY FORMS

SYNOPSIS

The Department of Health (DOH) Medical Assistance Administration (MAA) did not maintain Medical Necessity forms for nearly all of the 8,607 participants who received transportation benefits at a cost of \$16.3 million from the NET Program in fiscal year (FY) 2005. Maintaining the Medical Necessity form is essential for controlling the total cost of the NET Program because it authorizes the District's Medicaid recipients to receive various modes of transportation assistance when receiving treatment or seeking other medical services. This condition occurred because MAA required and relied on the medical facilities to maintain the Medical Necessity forms. Further, MAA had not performed any on-site visits or reviews at the medical facilities to ensure that the forms were being maintained. Although MAA required the medical facilities to maintain the Medical Necessity forms, MAA policies and procedures do not require medical facilities to submit completed and approved forms to MAA.

Due to MAA's failure to properly maintain Medical Necessity forms, DOH cannot determine the total number of authorized participants who utilized the NET Program. DOH also cannot substantiate the medical condition that warranted transportation for program participants who received transportation services during FY 2005. Moreover, failure to maintain all of the Medical Necessity forms is a serious breach of basic internal controls, which may have resulted in additional program costs to the District of Columbia.

DISCUSSION

Criteria. Procedures covering the Medical Necessity form are contained in the District of Columbia Department of Health Access Guide (Access Guide) (August 2001). All participants of the NET Program must have a Medical Necessity form completed and approved by a physician at an authorized medical facility. The Medical Necessity form should then be submitted to MAA. The form identifies the name of the participant and the type of transportation needed. MAA requires that the medical necessity for transportation must be substantiated by a physician's order and that written justification be provided stating that a less expensive form of transportation cannot be utilized given the recipient's medical condition. We noted that the Access Guide does not require medical facilities to submit a copy of the Medical Necessity form to MAA.

Rules governing maintaining Medical Necessity forms by participating medical providers are contained in the District of Columbia Department of Health, Medical Assistance Administration Provider Billing Manual (Provider Billing Manual). Although there are no

FINDING AND RECOMMENDATIONS

specific requirements mandating that MAA maintain copies of the Medical Necessity form, the Provider Billing Manual, Section 5.4, requires that a record be kept by all participating provider medical facilities of services rendered to recipients. Medical facilities must keep the form in the files of the individuals receiving transportation and make such records readily available for review by District and federal officials.

Council Hearings. On March 31, 2006, during a Public Oversight Hearing, the D.C. Council Chairman of the Committee on Health expressed concern over the maintenance of Medical Necessity forms. During the hearing, the Chairman stated that the District is relying “totally” on the medical facilities to substantiate the need for van transportation for program participants, without verification of the need by any District official.

OIG Review. NET Program information obtained from MAA for FY 2005 indicated that 8,607 Medicaid recipients obtained transportation services from 225 providers, resulting in 427,898 transportation claims being submitted (and paid for) at cost of \$16.3 million. We noted that van transportation is the most expensive mode of transportation provided to participants. Thus, maintenance of the Medical Necessity form is essential for controlling the total cost of the NET Program because it authorizes the District’s Medicaid recipients to receive various modes of transportation assistance when receiving treatment or seeking other medical services.

During the initial field work, we judgmentally selected for our review claims for payment submitted for transportation services rendered to 32 participants who received transportation during May and June 2005 by 4 providers. As a part of the review, we conducted on-site visits at the six medical facilities where the participants received treatment. While at the medical facilities, we requested a copy of the Medical Necessity forms for each of the 32 participants to verify information obtained and to substantiate the need for van transportation. The six medical facilities could not provide the OIG with a copy of the Medical Necessity form for any of the 32 participants.

Further, our review of transportation claims for these 32 program participants disclosed that 385 claims were paid by DOH during June 2005. However, we were unable to obtain documentation to support 106 of the 385 claims filed. Specifically, the attendance logs at the six medical facilities had no record of the participants receiving medical treatment on specified dates. In addition, we found that the MAA Medicaid Expenditure report did not list the participants as having received medical treatment on those same dates. These conditions will be further reviewed and discussed in upcoming audit reports related to the Department of Health’s Non-Emergency Transportation of Medicaid Recipients.

We made a written request to the Chief, MAA (Chief) to provide us with copies of the corresponding Medical Necessity forms for each of the 32 participants. However, the Chief told us that the forms had not been maintained at MAA. Therefore, we decided to review all

FINDING AND RECOMMENDATIONS

Medical Necessity forms maintained at MAA. Based upon the review, we determined that MAA had maintained only 292 Medical Necessity forms (of which 268 were requests for taxicabs, 20 were for bus tokens, and 4 were requests for van transportation) to substantiate all of FY 2005 NET Program activities.

The NET Program information obtained from the MAA for FY 2005 indicated that 8,607 Medicaid recipients obtained transportation services from 225 providers, resulting in 427,898 transportation claims being submitted (and paid for) at a cost of \$16.3 million. We noted that van transportation is the most expensive mode of transportation provided to participants. Thus, the maintenance of the Medical Necessity form is essential for controlling the total cost of the NET Program because it authorizes the District's Medicaid recipients to receive various modes of transportation assistance when receiving treatment or seeking other medical services.

Discussions with MAA Officials. We met with the Chief on June 29, 2006, to discuss and determine the extent to which the Medical Necessity forms were maintained and/or reviewed. The official told us that there were more than 8,000 Medical Necessity forms prepared during FY 2005 and that MAA had maintained less than 1 percent of the forms. The Chief explained that although the forms had not been maintained in-house, the medical facilities maintained copies of the forms.

We explained to the official that we were unable to obtain any of the forms for the 32 program participants during our on-site visits to 6 medical facilities. Further, we asked the Chief what efforts had been made to ensure that the forms were maintained at the facilities. The official admitted to us that MAA had not performed any on-site visits or reviews at the facilities to ensure that the forms were being maintained. However, the Chief informed us that the medical facilities will be required to submit the Medical Necessity forms to MAA beginning August 1, 2006.

Prior Audit Recommendations. On December 29, 2004, the OIG issued a report entitled Audit of the Department of Health Taxicab Voucher Program for Medicaid Recipients (OIG Project No. 04-1-04HC). In that report, we recommended that DOH establish an organized filing system for maintaining the Medical Necessity forms to account for all taxicab vouchers issued. DOH agreed to the recommendation and stated in its response that in January 2004, MAA designated two dedicated filing cabinets for all Medical Necessity forms.

However, as previously stated in this report, a review of NET Program records determined that MAA had maintained only 292 Medical Necessity forms to substantiate all of FY 2005 NET Program activities (427,898 transportation claims). Therefore, DOH neither adhered to, nor effectively implemented, our recommendation for maintaining Medical Necessity forms.

FINDING AND RECOMMENDATIONS

RECOMMENDATIONS

We recommend that the Director, Department of Health:

1. Immediately establish an organized filing system for maintaining Medical Necessity forms to account for van transportation of qualified recipients.
2. Amend the DOH Access Guide to require that medical facilities submit a copy of each completed and approved Medical Necessity form to MAA.
3. Establish policies and procedures requiring MAA to perform periodic reviews of Medical Necessity forms.
4. Conduct periodic monthly reviews of Medical Necessity forms to ensure the need for van transportation.

DOH RESPONSE (Recommendation 1)

DOH concurred with the recommendation. In its response, DOH stated that MAA had developed a Medical Necessity Certification Questionnaire which medical facilities will be required to complete and return to MAA by November 1, 2006. DOH further stated that: 1) the returned forms will be maintained in an organized filing system; and 2) data from the forms will then be entered into a database to be accessed by MAA Customer Service Representatives who handle non-emergency transportation prior authorization requests. DOH's full response is included at Exhibit C.

OIG COMMENT

DOH's corrective actions are responsive and meet the intent of the recommendation.

DOH RESPONSE (Recommendation 2)

DOH concurred with the recommendation and stated that the DOH Access Guide will be amended to require physicians, practitioners, and authorized facilities to submit the completed Medical Necessity Certification Questionnaire to MAA.

OIG COMMENT

DOH's corrective actions are responsive and meet the intent of the recommendation.

FINDING AND RECOMMENDATIONS

DOH RESPONSE (Recommendation 3)

DOH concurred with the recommendation. In its response, DOH stated that MAA's Office of Program and Integrity will establish formal written policies and procedures within the next 60 days that explain how periodic reviews of the Medical Necessity form will be conducted.

OIG COMMENT

DOH's corrective actions are responsive and meet the intent of the recommendation.

DOH RESPONSE (Recommendation 4)

DOH partially concurred with the recommendation. In its response, DOH stated that MAA's Office of Program and Integrity will conduct periodic quarterly, rather than monthly reviews of the Medical Necessity form, to ensure that van transportation is needed.

OIG COMMENT

DOH's corrective actions are responsive and meet the intent of the recommendation.

**EXHIBIT A: SUMMARY OF BENEFITS RESULTING FROM
AUDIT**

Recommendation	Description of Benefit	Amount and Type of Benefit	Status ⁷
1	Compliance and Internal Control. Ensures that van transportation is necessary.	Non Monetary	Closed
2	Compliance and Internal Control. Ensures that written procedures are in place requiring that Medical Necessity forms are submitted to MAA.	Non Monetary	Open
3	Compliance and Internal Control. Ensures that written procedures are in place requiring that MAA perform reviews of the Medical Necessity forms.	Non Monetary	Open
4	Compliance and Internal Control. Ensures that MAA perform periodic reviews of the Medical Necessity forms.	Non Monetary	Closed

⁷ This column provides the status of a recommendation as of the report date. For final reports, “**Open**” means Management and the OIG agree on the action to be taken, but action is not complete. “**Closed**” means management has advised that the action necessary to correct the condition is complete. “**Unresolved**” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.

EXHIBIT B: TRANSPORTATION REQUEST AND MEDICAL NECESSITY CERTIFICATION FORM

Transportation Request and Medical Necessity Certification

**PART 1:
GENERAL RECIPIENT INFORMATION**

PLEASE PRINT CLEARLY.

Name: _____	Telephone Number (____) _____
Social Security Number: _____	In case of emergency notify the following person:
Medicaid Number: _____	Name _____
Date of Birth: ____/____/____ Age: ____	Address: _____
Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female	Telephone Number: (____) _____
Address: _____	Relationship to recipient: _____

Is this address the recipient's home address?
 Yes No

**PART 2:
GENERAL PROVIDER INFORMATION**

Provider Name: _____	Contact Person: _____
Medical Provider Number: _____	Telephone Number: (____) _____
Address: _____	

**PART 3:
MEDICAL NECESSITY CERTIFICATION**

<p>The above named recipient has the following condition and requires transportation to and from medical appointments: _____</p> <p>Can the recipient use Metro Access, Metro bus or the Metro Subway System for one way or round trip transportation? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Does the recipient operate a personal automobile or have family members or friends who can provide transportation services? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer to either question is yes, sign affirmation statement on bottom of section five and submit form. If the answer to both questions is no, have physician complete Part 4 of this form, sign affirmation and submit form.</p>
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EXHIBIT B: TRANSPORTATION REQUEST AND MEDICAL NECESSITY CERTIFICATION FORM

Transportation Request and Medical Necessity Certification

**PART 4:
MEDICAL NECESSITY CERTIFICATION**

Due to the previously mentioned medical condition I am requesting the use of the following non-emergency medical transportation:

- Taxicab
- Taxicab with Driver Assistance
- Stretcher/Ambulance
- Ambulatory Van
- Wheelchair Van w/ Assistance of 1 Person
- Wheelchair Van w/ Assistance of 2 Persons

Medical Provider is requesting this service at a frequency of (check one):

- Ongoing regular service (Standing)
- One-time or infrequent service

If one-time or infrequent please state the date and time in which transportation is requested:

Date(s): _____

Time: _____

If ongoing, please indicate registrant's standing order request (check one):

- Daily Weekly
- Once a month Twice a month
- Other, please explain: _____

If you checked weekly please indicate the days in which recipient needs transportation services

- Monday Tuesday Wednesday
- Thursday Friday

If you checked once or twice a month please state the date(s) in which transportation is requested: _____

Recipient needs to arrive at this facility for treatment by _____ AM PM

After treatment, recipient will be ready for departure by _____ AM PM

If recipient cannot use any of the public transportation services provided by Metro please provide a description of the functional disability and the extent of the disability in non-clinical terms precluding this utilization.

Is this disability temporary?

Yes No

Does the recipient require the assistance of another person?

Yes No

Does the recipient use any of the following equipment:

- Wheelchair Walker
- Crutches Car Seat
- Other _____

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EXHIBIT B: TRANSPORTATION REQUEST AND MEDICAL NECESSITY CERTIFICATION FORM

Transportation Request and Medical Necessity Certification

PART 4:
MEDICAL NECESSITY CERTIFICATION (CONTINUED)

If the recipient utilizing a wheelchair requires the assistance of an additional attendant, please check reason (s) below:

Obesity

Steps outside first floor entrance to home

Other architectural barrier hampering assistance by only one attendant

Can recipient transfer in and of vehicle without assistance? Yes No

For recipients able to use Metro services for either the arrival (in-ride) or departure (out-ride) trip, please specify below. Door or door non-emergency medical transportation will be arranged for the remaining in-ride or out-ride trip.

Arrival

Departure

* if no Metro service was specified round trip service will be arranged.

PART 5:
AFFIRMATION STATEMENT

I certify that to the best of my knowledge, the above named recipient _____ functional disability, as stated above, requires non-emergency medical transportation services to this facility for medical services.

Need for medical transportation services expire on ____/____/____ (No more than 90 days after the date this form was signed.)

Facility Name: _____

Provider Number: _____

Telephone Number: (____) ____-____

Physician's Signature: _____

Physicians Name (Print): _____

Signed the _____ day of the month of _____ in the year _____

EXHIBIT C: MANAGEMENT RESPONSE

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health



Office of the Director

AUG 21 2006

Charles Willoughby
Inspector General
Office of the Inspector General
717 - 14th Street, N.W.
Washington, DC 20005

Dear Mr. Willoughby:

This letter is in response to the Office of the Inspector General's recommendations in the Management Alert Report (MAR) No. 06-A-09 for the audit under OIG Project No. 05-2-18HC.

As a result of the findings, it was recommended that the Director of the Department of Health (DOH) complete the following:

1. Immediately establish an organized filing system for maintaining Medical Necessity forms to account for van transportation of qualified recipients.
2. Amend the DOH Access Guide to require medical facilities submit a copy of each completed and approved Medical Necessity form to MAA.
3. Establish policies and procedures requiring MAA to perform periodic reviews of Medical Necessity forms.
4. Conduct periodic monthly reviews of Medical Necessity forms to ensure the need for van transportation.

The DOH Medical Assistance Administration (MAA) had previously developed a corrective action plan to address the OIG's issue with the maintenance of Medical Necessity Forms. Below is MAA's response for each recommendation listed.

Recommendation # 1

Immediately establish an organized filing system for maintaining Medical Necessity forms to account for van transportation of qualified recipients.

EXHIBIT C: MANAGEMENT RESPONSE

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Inspector General
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Response

MAA has proactively taken several steps to remedy the issue identified. MAA developed a plan of action to reissue Transmittal 06-05, "Authorization for Medical Transportation for Doctor's appointment" to all Medicaid providers. The transmittal indicates a medical necessity form must be completed and substantiated by a physician's order for each Medicaid recipient requesting non-emergency transportation before services will be authorized.

To ensure Medical Necessity Certification forms are maintained, MAA recently developed a Medical Necessity Certification Questionnaire, which is currently being faxed to physicians, practitioners, and authorized facilities that request and arrange non-emergency transportation services for Medicaid recipients.

On August 14, 2006, MAA started sending (via fax) the Medical Necessity Certification Questionnaire (Attachment I) to Medicaid physicians, practitioners, and authorized facilities that request and arrange non-emergency transportation services.

The physician is required to sign the Questionnaire, which certifies that a "completed" Medical Necessity Certification form on file and retained. The Questionnaire captures the Medicaid recipient's name, Medicaid number, and requires the physician to identify the appropriate mode of transportation required.

Providers must complete and submit the Medical Necessity Certification Questionnaire to MAA by deadline of November 1, 2006. Failure to submit the Questionnaire will result in the denial of transportation services.

Once the Medical Necessity Certification Questionnaire form is completed and returned to MAA, the form will be placed in organized filing system. The new filing system will serve as a repository, which will be accessed by MAA to ensure the physician has certified that a Medical Necessity Certification form is on file.

Data collected from the Medical Necessity Certification Questionnaire form will be entered into shared database that will be maintained by MAA. MAA's Office of Program Operations will enter data from all the Medical Necessity Certification forms into a database, which will be used by MAA Customer Service Representatives (CSR) that handle non-emergency transportation prior authorization requests via telephone and fax. Each MAA CSR will have access to the shared database. The CSR will access the database every time a provider

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submits a prior authorization request, via fax or telephone, to MAA for non-emergency transportation. The CSR will access the database to verify the following:

- 1) A Medical Necessity Certification form was completed by the physician and is on file; and
- 2) The recipient's medical condition warrants transportation by public transportation or van, based on the physician's information.

The CSR will either approve or deny authorization for services and inform the provider of MAA's decision of approval or denial of transportation services.

Recommendation # 2

Amend the DOH Access Guide to require medical facilities submit a copy of each completed and approved Medical Necessity form to MAA.

Response

MAA will amend the DOH Access Guide. The DOH Access Guide now will require physicians, practitioners, and authorized facilities that request and arrange non-emergency transportation services to submit to MAA a Medical Necessity Certification Questionnaire, which has been signed by the physician. The Medical Necessity Certification Questionnaire may be submitted via fax or direct mail.

Recommendation # 3

Establish policies and procedures requiring MAA to perform periodic reviews of Medical Necessity forms.

Response

MAA concurs with this recommendation. MAA will have the Office of Program Integrity establish formal written policies and procedures that explain how periodic reviews of Medical Necessity forms will be conducted. The written policies and procedures will be finalized and completed by MAA's Office of Program Integrity within the next 60 days.

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Recommendation # 4

Conduct periodic monthly reviews of Medical Necessity forms to ensure the need for van transportation.

Response

MAA partially concurs with this recommendation. MAA will have the Office of Program Integrity conduct periodic quarterly rather than monthly reviews of Medical Necessity form to ensure the need for van transportation. The Chief of the Office of Program Integrity will coordinate these tasks with either the staff within the office of Investigations and Compliance or Surveillance Utilization Review (SUR).

These audit/reviews will be conducted monthly and a report of findings will be presented to MAA senior staff within 2 weeks of the audit.

MAA recognizes that current transportation operations has profound management and financial challenges to overcome and recently made some organizational changes which should bring forth more proactive measures and controls to ensure policies, and procedures for non-emergency transportation are formalized and enforced.

MAA is optimistic about its ongoing implementation of new operational controls and is deeply committed to working to resolve these issues as soon as possible. We expect that the results of the above stated recommendations will be improved internal control, increased oversight and reporting, and increased integrity and reliability of information.

Please contact Robert T. Maruca at MAA, should you have questions concerning this matter.

Sincerely,


Gregg A. Pane, MD, MPA
Director, Department of Health

Enclosure

cc: Robert T. Maruca, MAA
William Brown III, MAA

EXHIBIT C: MANAGEMENT RESPONSE

ATTACHMENT I



District of Columbia Medical Assistance Administration

MEDICAL CERTIFICATION FORM QUESTIONNAIRE

The physician responsible for determining medical necessity of non-emergency transportation service should complete this form. This form can also be completed and signed by an RN, PA, or discharge planner who is employed by the hospital or facility where the patient is being treated, with knowledge of the patient's condition at the time of transport.

Patient Name (First, Last, MI)	Medicaid Number	Medical Certification Form Completed and on File? Y / N	(select one)	(select one)
			Certification Period • 30 days • 60 days • 90 days	Condition Requires: 1. Public Transportation 2. Taxicab 3. Wheelchair Van 4. Stretcher Van 5. Ambulatory Van

PROVIDER NAME _____ MEDICAID PROVIDER # _____
 PROVIDER ADDRESS _____
 PROVIDER SIGNATURE _____ DATE _____
 PROVIDER TELEPHONE NUMBER _____

Fax completed Medical Certification Questionnaire Form to
(202) 610-3209
 Attn: D.C. Medicaid Transportation Unit
 Contact us at (202) 698-2000

I CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS, TO THE BEST OF MY KNOWLEDGE, COMPLETE AND ACCURATE AND SUPPORTED IN THE MEDICAL RECORD OF THE PATIENT. THE INFORMATION BEING UTILIZED ON THIS FORM IS BEING GATHERED TO ASSIST IN SEEKING REIMBURSEMENT FROM THE DISTRICT'S MEDICAID PROGRAM. I UNDERSTAND THAT ANY INTENTIONAL MISREPRESENTATION OR FALSIFICATION OF ESSENTIAL INFORMATION, WHICH LEADS TO INAPPROPRIATE PAYMENTS, MAY BE SUBJECT TO INVESTIGATIONS UNDER APPLICABLE FEDERAL AND/OR DISTRICT OF COLUMBIA LAWS.

EXHIBIT C: MANAGEMENT RESPONSE

Transportation Request and Medical Necessity Certification

Medicaid Provider Number: _____
Facility Name: _____ Facility Voucher Number: _____

PART I: General Information

Recipient Name: _____ Medicaid ID No: _____
Address: _____ Date of Birth: ____/____/____

PART II: Medical Necessity Certification

The above named recipient has the following condition and requires transportation to and from medical appointments:

The condition indicates use of the following non-emergency transportation:

- Public Transportation; Bus/Subway
- Taxicab
- Taxicab with Driver Assistance
- Stretcher/Ambulance
- Wheelchair Van with Assistance of 1 Person
- Ambulatory Van
- Wheelchair Van with Assistance of 2 Persons

Frequency:
 Daily Weekly Once a month Twice a month

Other, please explain: _____

Certification Period: From: ____/____/____ To: ____/____/____
(Not to exceed 90 days per request)

Physician's Signature: _____ Date: _____

Print Physician's Name: _____ Phone Number: _____