

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

**AUDIT OF NON-EMERGENCY  
TRANSPORTATION PROVIDER  
COMPLIANCE WITH LICENSE AND  
CERTIFICATION REQUIREMENTS**



**CHARLES J. WILLOUGHBY  
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



February 22, 2008

Carlos Cano, M.D.  
Interim Director  
Department of Health  
825 North Capitol Street, N.E., Suite 4400  
Washington, D.C. 20002

Dear Dr. Cano:

Enclosed is our final report summarizing the results of the Office of the Inspector General's (OIG) *Audit of Non-Emergency Transportation Provider Compliance with License and Certification Requirements* (OIG No. 05-2-18HC(d)). This audit is part of our continuous coverage of the District's Medicaid Program. The report is the fifth and final report in a series of audits covering the Department of Health's (DOH) non-emergency transportation of Medicaid recipients.

Our draft report contained five recommendations for necessary action to correct described deficiencies. We received a response to the draft report from DOH on January 29, 2008. We consider the actions currently ongoing and/or planned to be responsive to Recommendations 1, 2, 3, and 5. DOH's response to Recommendation 4 did not meet the intent of complying with District of Columbia Municipal Regulations. Accordingly, we ask that DOH provide us with an updated response to Recommendation 4 within 60 days from the date of this report. The full text of DOH's response is included at Exhibit B.

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

CJW/ws

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Carlos Cano, M.D., Interim Director, DOH

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**AUDIT OF NON-EMERGENCY TRANSPORTATION PROVIDER  
COMPLIANCE WITH LICENSE AND CERTIFICATION  
REQUIREMENTS**

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## EXECUTIVE DIGEST

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### OVERVIEW

Enclosed is the final report summarizing the results of the Office of the Inspector General's (OIG) Audit of Non-Emergency Transportation Provider Compliance with License and Certification Requirements (OIG No. 05-2-18HC(d)). This audit is part of our continuous coverage of the District's Medicaid Program. The report is the fifth and final report in a series of audits covering the Department of Health's (DOH) non-emergency transportation of Medicaid recipients, and focuses on transportation providers' (Providers) compliance with license and certification requirements.

The Non-Emergency Transportation Program (NET Program) is administered by the DOH Medical Assistance Administration, Office of Program Operations (MAA-OPO). The objective of the NET Program is to provide transportation services for Medicaid recipients receiving various forms of medical services.<sup>1</sup> Recipients qualify for transportation assistance after completing a medical necessity form which must be certified by a doctor or other medical facility staff member at a participating medical provider.

During Fiscal Year (FY) 2005 and FY 2006, MAA-OPO used 225 Providers in the Washington Metropolitan Area for Medicaid recipients at a cost of \$16.3 and \$16.2 million, respectively.<sup>2</sup> Of the 225 Providers, 70 were located in Virginia, 77 were located in the District, and 78 were located in Maryland.

The number of Providers used by MAA-OPO decreased minimally from 225 to 221 by the beginning of FY 2007. In the fourth quarter of FY 2007, the District contracted with a non-emergency transportation broker (Broker) and reduced the number of Providers from 221 to 82. Of the 82 Providers, 23 were located in Virginia, 29 in the District, and 30 in Maryland. This reduction should improve management's span of control over Providers.

### PERSPECTIVE

In the past, MAA-OPO has been responsible for all aspects of the NET Program. However, on July 20, 2007, the Office of Contracting and Procurement awarded a contract, on behalf of the DOH, to a Broker. The Broker began managing and administering the NET Program beginning October 19, 2007. The contract award amount was \$10.6 million for the base operating year. MAA-OPO officials are responsible for monitoring the Broker's compliance with the terms of the contract, which requires the Broker, in part, to provide the following services:

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<sup>1</sup> The NET Program provides transportation to program participants by van, taxicab, or bus. The OIG issued the *Audit of the Department of Health Taxicab Voucher Program for Medicaid Recipients* (OIG 04-1-04HC) on December 13, 2004, which focused solely on taxicab transportation.

<sup>2</sup> Total FY 2007 NET Program costs were \$6.9 million through May 31, 2007.

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## EXECUTIVE DIGEST

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- Establish a network of Providers.
- Operate a centralized call center to receive and process transportation requests.
- Implement systematic screening to validate recipient eligibility and assess the medical necessity for transportation requests.
- Determine the most appropriate mode of transportation to meet recipients' needs.
- Monitor the overall delivery of transportation services, including vehicle and driver requirements, to ensure consistent delivery of quality services.
- Maintain a quality assurance plan and a complaint and grievance resolution process.
- Obtain and provide valuable encounter data and other reporting requirements accurately and timely.
- Pay transportation claims.

MAA officials believe that NET Program operations will improve and that issues identified in this report will be mitigated by the use of the Broker. Although we agree that NET Program operations may improve under the current Broker contract, we caution against complete reliance on the Broker. If the contracts between the Broker and NET Program Providers specify that Providers are responsible for drivers and the safety of passengers, the Broker will be responsible for the quality of service provided.<sup>3</sup> Given the shared responsibility for NET Program operations, MAA-OPO officials must monitor Broker performance under the terms of the contract. Part of the monitoring should include determining whether the Broker is adequately overseeing NET Program Providers.

### CONCLUSION

MAA-OPO officials did not effectively manage the NET Program. Specifically, officials did not adequately determine whether all Providers: (1) were authorized to provide motor vehicle carrier services; (2) complied with federal safety regulations; (3) hired reputable, responsible drivers before receiving approval to participate in the NET Program; and (4) clearly marked vehicles with identifying information. As a result, the safety and well-being of NET Program participants were jeopardized, which increases the District' liability.

Specifically our audit uncovered the following deficiencies in the NET Program:

- Improper payments – We found that the District paid \$112,000 to 5 of 21 Providers (24 percent) that were unauthorized motor vehicle carriers.
- Federal Safety Regulations - We determined that 5 of 50 Providers (10 percent) did not comply with federal safety regulations to perform annual safety inspections.

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<sup>3</sup> HEALTH CARE FINANCING ADMINISTRATION AND THE NATIONAL ASSOCIATION OF STATE MEDICAID DIRECTORS' NON-EMERGENCY TRANSPORTATION TECHNICAL ADVISORY GROUP, DESIGNING AND OPERATING COST-EFFECTIVE MEDICAID NON-EMERGENCY TRANSPORTATION PROGRAMS: A GUIDEBOOK FOR STATE MEDICAID AGENCIES (AUGUST 1998).

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## EXECUTIVE DIGEST

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- **Criminal History Checks** - Of 50 Providers we reviewed for compliance with criminal history checks, 29 (58 percent) did not perform criminal history checks on 60 of 91 drivers (66 percent).
- **Drug Tests** - Our review showed that 28 of 50 Providers (56 percent) did not perform drug testing for 55 of 91 drivers (60 percent).
- **Driver Record Check** - Of the 50 Providers we reviewed for driver record checks, 43 Providers (86 percent) did not check drivers' records for 78 of 91 drivers (86 percent), and 18 Providers (36 percent) could not provide copies of employees' driver licenses.

Also, our review of drivers' records revealed that 5 drivers<sup>4</sup> were operating with license restrictions. Four of the five drivers were restricted from operating vehicles for compensation and were required to be accompanied by an authorized driver. In addition, we found that none of the 91 drivers had the required commercial driver's licenses.

- **CPR Certification** - We found that 22 of the 50 Providers (44 percent) did not ensure that 42 of 91 drivers (46 percent) obtained the CPR certifications required by the Medicaid Provider Agreement.
- **First Aid Certification** - Of the 50 Providers reviewed for first aid certification, 35 (70 percent) did not ensure that 62 of 91 drivers (68 percent) obtained the first aid certifications required by the Medicaid Provider Agreement.
- **Vehicle Markings** - We observed 10 of 70 vans (14 percent) that did not include each Provider's legal name and Certificate of Authority number.

### MANAGEMENT ACTIONS

During the course of the audit, we notified the Senior Deputy Director of MAA that a Provider had not obtained the proper Certificate of Authority from the Washington Metropolitan Area Transit Commission to operate in the NET Program. Upon notification, MAA-OPO officials took immediate action to place the Provider in a terminated status. In addition, the Senior Deputy Director issued Transmittal No. 07-09 on April 3, 2007, that required all Providers participating in the NET Program to update driver certifications.

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<sup>4</sup> The 5 drivers were employed by 5 of the 50 Providers (10 percent).

## **EXECUTIVE DIGEST**

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### **SUMMARY OF RECOMMENDATIONS**

We directed five recommendations to the Interim Director, Department of Health that focused on improving the management and oversight of the NET Program. We emphasized the need for monitoring the Broker contract to ensure that the deficiencies noted in DOH's management of the NET Program are corrected and do not recur under the Broker contract.

We received a response to the draft report from DOH on January 29, 2008. We consider the actions currently ongoing and/or planned to be responsive to Recommendations 1, 2, 3, and 5. DOH's response to Recommendation 4 did not meet the intent of complying with District of Columbia Municipal Regulations. Accordingly, we ask that DOH provide us with an updated response to Recommendation 4 within 60 days from the date of this report. The full text of DOH's response is included at Exhibit B.

A summary of the potential benefits resulting from the audit is shown at Exhibit A.

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## INTRODUCTION

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### BACKGROUND

The mission of DOH is to promote and protect the health, safety, and quality of life of residents, visitors, and those doing business in the District of Columbia (District). DOH's responsibilities include identifying health risks; educating the public; preventing and controlling diseases, injuries, and exposure to environmental hazards; promoting effective community collaborations; and optimizing equitable access to community resources.

**Medical Assistance Administration.** The Medical Assistance Administration (MAA) is the District's state agency responsible for administering Title XIX of the Social Security Act, 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. The State Medicaid Plan requires the District to ensure that Medicaid recipients are provided transportation to health service locations.

**Non-Emergency Transportation Program.** The Non-Emergency Transportation Program (NET Program) is a service provided to eligible Medicaid recipients, funded by DOH and administered by DOH Medical Assistance Administration, Office of Program Operations (MAA-OPO). Under the NET Program, Providers furnish transportation services to Medicaid recipients with medical conditions that necessitate the use of a van. These transportation services include paratransit (wheelchair and ambulatory) services with lift-equipped vehicles. Before enrolling in the NET Program, motor vehicle carriers must receive certificates of authority from the Washington Metropolitan Area Transit Commission (WMATC) to operate in the Washington Metropolitan Area (Maryland, Virginia, and the District of Columbia).

WMATC provides regional regulations for the Washington Metropolitan Area for private sector motor vehicle carriers transporting passengers. WMATC issues a certificate of authority to carriers to operate a motor vehicle. The certificate of authority requires compliance with insurance, safety, and vehicle-marking regulations. Before WMATC issues authorization to carriers to transport program participants, carrier owners must submit an enrollment package and be approved by MAA-OPO to participate in the NET Program.

**Criteria.** WMATC regulations incorporate, by reference, the Federal Motor Carrier Safety Regulations, which are codified at Title 49 of the Code of Federal Regulations (CFR). Specifically, 49 § CFR 396.17 governs safety inspections and 49 § CFR 37 and 38 govern transporting Americans with disabilities, including, in part, the inspection of vehicle lifts (e.g., for wheelchairs) and other special equipment. Criteria covering the hiring of drivers is contained in Title XIX of the Social Security Act, D.C. Law 12-238, D.C. Code § 44-552(e), the State Medicaid Plan, and MAA's Provider Agreement. Each of the requirements of the aforementioned laws is paraphrased in the following paragraphs and may include direct quotes from the law.

## INTRODUCTION

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*Safety Inspections.* Title 49 CFR § 396.17 requires commercial motor vehicles to have an annual safety inspection. Vehicle inspections are to be performed under the auspices of any state government or equivalent jurisdiction or the Federal Motor Providers Safety Administrator and must meet minimum standards. For example, vehicle brake systems, coupling devices, exhaust systems, fuel systems, lighting devices, suspension, frame, tires, wheels and rims, and windshield and wipers must meet federal safety standards.

*Vehicle Lift Maintenance.* Title 49 CFR § 37.164 (i) requires that private entities providing transportation services must maintain, in operative condition, features that are required to make the vehicles accessible and usable by individuals with disabilities. According to § 37.163 (b), entities must establish a system of regular and frequent maintenance checks of vehicle lifts.

*Hiring of Drivers.* Title 29 DCMR § 943.1 (h) prohibits transportation service providers from offering employment or contracting with persons who are not licensed healthcare professionals, and who foreseeably will come in direct contact with Medicaid patients, until a criminal background check has been conducted for these persons. D.C. Code § 44-552(e) (2001) also prohibits any facility from employing or contracting with any person who has been convicted of certain criminal offenses within 7 years of a criminal background check. Criminal offenses include, in part, murder; assault, battery, or threats to do bodily harm; theft, fraud, forgery, extortion or blackmail; rape, sexual assault, sexual battery, or sexual abuse; or unlawful distribution, or possession with the intent to distribute, a controlled substance.

**Program Size.** During the period covering our audit, MAA-OPO used between 221 to 225<sup>5</sup> Providers to transport NET Program participants, specifically using 225 Providers during Fiscal Year (FY) 2005. Of the 225 Providers, 70 were located in Virginia, 77 in the District, and 78 in Maryland. Records indicated that the 225 Providers were paid \$16.3 million.<sup>6</sup> The following pie chart illustrates the distribution of program costs by Provider location for FY 2005.

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<sup>5</sup> There were 228 active Providers in the MAA-OPO database. However, only 225 Providers received payment for NET Program services.

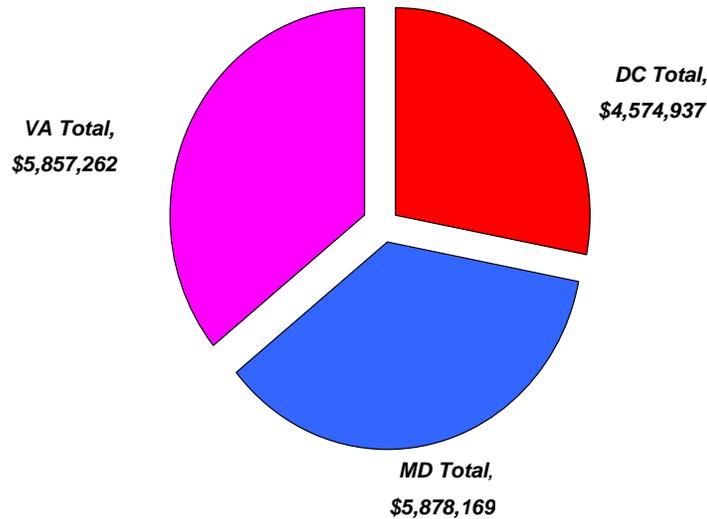
<sup>6</sup> Total costs were \$16.2 million for FY 2006 and \$6.8 million for October 2006 through May 2007.

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## INTRODUCTION

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### Distribution of Program Costs by Provider Location As of FY 2005



### OBJECTIVES, SCOPE, AND METHODOLOGY

The overall objectives of the audit were to determine whether DOH: (1) operated the program in an efficient, effective, and economical manner; (2) complied with requirements of applicable laws, rules, regulations, policies, and procedures; and (3) documented program reimbursements properly and for the correct amounts. The specific objective was to determine whether Providers complied with license and certification requirements.

To accomplish our objectives, we conducted interviews with DOH officials who were responsible for the NET Program. We held meetings and discussions with officials of WMATC and Affiliated Computer Services (ACS), the DOH contractor responsible for processing Provider enrollment packages and paying Providers. We judgmentally selected the Providers included in our review. We also reviewed applicable laws, regulations, and policies and procedures.

We evaluated Provider Agreements and related records, as well as pertinent documents maintained by Providers. We conducted field work at MAA-OPO, ACS, and 50 Provider locations. Additionally, we performed physical observations of Providers transporting (dropping off and picking up) program participants at two medical facilities located in the District of Columbia.

We also relied on computer-processed data from the Medicaid Management Information System (MMIS) to obtain summary information on the total amount paid to Providers from October 1, 2004, through May 31, 2007. We did not perform a formal reliability assessment

## INTRODUCTION

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of the MMIS computer-processed data because we only used the data for background and informational purposes.

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

### PRIOR AUDIT COVERAGE

Over the past 3 years, the OIG has completed four audits covering the transportation of Medicaid recipients.

1. We issued OIG Report No. 04-1-04HC entitled, “Audit of the Department of Health Taxicab Voucher Program for Medicaid Recipients,” on December 13, 2004. The audit disclosed that the DOH, Office of the Chief Financial Officer (OCFO), did not comply with all existing rules, regulations, policies, and procedures governing the use of District imprest funds. DOH OCFO also did not establish and implement effective internal policies and procedures or develop the necessary management and internal controls to adequately safeguard the funds against fraud, waste, and abuse. Further, the DOH OCFO did not maintain documentation to support approximately \$44,000 in taxicab reimbursements.

The audit also disclosed that MAA-OPO did not establish an organized filing system to properly maintain Medical Necessity forms to account for all the Medicaid recipients who were issued taxicab vouchers during FYs 2002 and 2003. Further, MAA-OPO had not reconciled or accounted for the number of taxicab vouchers issued to the 41 medical facilities during the audit period.

**Corrective Action.** The OCFO placed paid taxicab vouchers in a secure area and agreed to perforate and/or date-stamp taxicab vouchers to prevent re-use. In addition, the officials informed us that internal policies and procedures to address the imprest fund and related functions had been drafted and would soon be approved and implemented.

2. We issued OIG Report No. 05-2-18HC(a) entitled, “Audit of a Contractual Arrangement for Non-Emergency Transportation of Medicaid Recipients,” on May 5, 2006. Our audit concluded that a DOH employee, who did not have authority to bind the District in a contractual arrangement, executed a contract for transportation authorization services.

The contractual arrangement bypassed the normal procurement process, and the funds to pay for the services had not been pre-encumbered (budgeted). Approval to pay the contractor was made only after a formal ratification process had been completed.

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## INTRODUCTION

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This procurement violated basic procurement rules contained in D.C. Code § 2-301.05(d)(1) (2001) and 27 DCMR 1200.1.

**Corrective Action.** DOH was to remove the employee from all responsibilities involving procurement related activities and would administer the appropriate disciplinary action. In addition, DOH issued written guidelines on December 19, 2005, informing employees that a District contracting officer is the only agency employee authorized to execute a contract on behalf of the DOH. Further, DOH stated controls will be implemented to ensure that the Office of Contracting and Procurement is fully informed of services to be provided under contract.

3. We issued OIG Report No. 05-2-18HC(b) entitled, “Audit of the Maintenance of Medical Necessity Forms for Non-Emergency Transportation of Medicaid Recipients,” on September 29, 2006. Our audit concluded that MAA did not maintain Medical Necessity forms for nearly all the 8,607 participants who received transportation benefits at a cost of \$16.3 million in FY 2005. The maintenance of the Medical Necessity form is essential for controlling NET Program costs because it authorizes Medicaid recipients to receive various modes of transportation assistance to receive medical services.

**Corrective Action.** DOH stated that the 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 also stated that the returned forms will be maintained in an organized filing system and the data from the forms will be entered into a database. In addition, the DOH Access Guide will be amended to require physicians, practitioners, and authorized facilities to submit the completed Medical Necessity Certification Questionnaire to MAA. Further, DOH provided that, in FY 2007, MAA’s Office of Program and Integrity will establish formal written policies and procedures that explain how periodic reviews of the Medical Necessity forms will be conducted.

4. We issued OIG Report No. 05-2-18HC(c) entitled, “Audit of the Department of Health’s Contracting for Non-Emergency Transportation Services” on March 13, 2007. Our audit concluded that MAA-OPO officials attempted to outsource NET Program services to a Broker without evaluating the costs to perform the services and providing documentation to support that doing so was in the best interest of the District of Columbia government.

We also found that the solicitation, which bidders relied on to prepare offers, was based on an excessive amount of annual trips. MAA-OPO officials agreed with our determination that the annual trip estimates in the solicitation would result in overpricing and revised the solicitation to reduce the estimated amount of annual trips. This reduction resulted in a cost savings of \$6.8 million for the first year of the contract and an additional \$27 million should the District exercise the option to contract for 4 additional years.

## INTRODUCTION

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**Corrective Action.** DOH stated that MAA procured the services of a professional actuary firm to provide assistance in its outsourcing efforts and to develop a fiscal impact statement and report. In addition, MAA-OPO reduced the number of annual trips in the solicitation by 20 percent. DOH stated that MAA-OPO prepared and completed a cost/price analysis that revealed that no District employee will be displaced in accordance with the D.C. Privatization Law. Further, DOH stated the Broker will be required to use the Medical Necessity form completed by the treating or clinical provider to determine the mode of transportation afforded Medicaid clients.

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## FINDING AND RECOMMENDATIONS

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<h3>FINDING: PROVIDER COMPLIANCE</h3>
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#### SYNOPSIS

MAA-OPO officials did not effectively manage the NET Program. Specifically, officials did not adequately determine whether all Providers: (1) were authorized to provide motor vehicle carrier services; (2) complied with federal safety regulations; (3) hired reputable, responsible drivers before receiving approval to participate in the NET Program; and (4) clearly marked vehicles with identifying information.

These conditions occurred because MAA-OPO had not developed adequate internal controls designed to ensure compliance with the NET Program Provider enrollment process. Additional, WMATC identified 21 unauthorized motor carriers. As a result, the safety and well-being of NET Program participants were jeopardized, which increases the risk of the District's liability. In addition, MAA-OPO paid 5 of 21 unauthorized motor carriers \$112,000 during the period August 13, 2003, through May 11, 2007. Further, the District was at risk of using the other 16 unauthorized Providers because they were listed as active in the MMIS.

#### DISCUSSION

Prior to October 19, 2007, and during our audit period, MAA-OPO was responsible for administering the NET Program.<sup>7</sup> Specifically, MAA-OPO was responsible, in part, for:

- approving motor carriers as NET Program participants;
- receiving telephone calls from medical facilities requesting transportation;
- coordinating with Providers to schedule transportation;
- monitoring Providers' compliance with applicable laws, rules, regulations and the Provider Agreements;
- performing inspections of Providers' vehicles;
- monitoring Provider files maintained by the ACS; and
- resolving NET Program complaints.

**Unauthorized Motor Vehicle Carriers.** MAA-OPO officials did not determine whether motor vehicle carriers were authorized to provide transportation services before making payments to NET Program Providers. MAA-OPO paid 5 of 21 unauthorized Providers (24 percent) more than \$112,000 for transportation services during the period August 13, 2003, through May 11, 2007. WMATC officials had suspended and subsequently revoked the certificates of authority for three of the five Providers, one Provider had terminated

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<sup>7</sup> The District contracted with a Broker to perform these duties effective October 19, 2007.

## FINDING AND RECOMMENDATIONS

voluntarily and one was never granted authority to operate. Table 1 below provides additional details regarding payments to the five unauthorized Providers.

<b>Table 1. Payments to Unauthorized Providers</b>					
<b>Provider</b>	<b>WMATC Number</b>	<b>Action</b>	<b>Reason</b>	<b>Effective Date</b>	<b>Amount Paid</b>
1	597	Suspended Then Revoked <sup>8</sup>	Lack of Insurance	1/10/2006	\$98,441
2	1022	Suspended Then Revoked	Lack of Insurance	2/23/2006	\$9,532
3	722	Suspended Then Revoked	Lack of Insurance	8/13/2003	\$3,960
4	578	Voluntary Termination <sup>9</sup>	N/A	8/2/2006	\$132
5	N/A	Never Granted Authority	N/A	N/A	\$347
<b>Total</b>					<b>\$112,412</b>

During the audit, WMATC officials reviewed 228 carriers identified by MAA-OPO as active in the NET Program.<sup>10</sup> WMATC officials determined that 21 of the 228 (9 percent) were no longer certified or had never received certification. WMATC officials identified the 21 unauthorized carriers to the OIG and informed MAA-OPO of these unauthorized carriers on September 4, 2007.

We questioned MAA-OPO officials regarding the five Providers that were listed as active NET Program Providers for 1-3 years without WMATC certificates of authority. MAA-OPO officials claimed they were not aware of the suspensions and revocations. According to WMATC records, MAA-OPO was notified of the suspension for three of the five Providers via certified mail. However, WMATC officials could not provide documentation to support the assertion that they notified MAA-OPO concerning the voluntary termination. For the fifth Provider, officials would not have notified MAA-OPO because WMATC never granted the company authority to provide transportation services in the Metropolitan area.

To become Providers in the NET Program, MAA-OPO requires applicants to submit, in part, a copy of the WMATC certificate of authority. We verified that the Provider files

<sup>8</sup> WMATC standard operating procedure is to issue an order of suspension upon notification of a Provider's lapse in insurance coverage. If the Providers does not resolve the issue, WMATC issues an order of revocation within 30-90 days of the suspension date.

<sup>9</sup> A voluntary termination occurs when a Provider decides to discontinue business operations with the District.

<sup>10</sup> There were 228 active Providers reviewed by WMATC in the MAA-OPO database. However, in the MMIS, we identified only 225 Providers that received payment for NET Program services.

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## FINDING AND RECOMMENDATIONS

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maintained by ACS did not contain a copy of the certificate of authority for the fifth Provider. We could not determine why MAA-OPO officials approved an unauthorized Provider to participate in the NET Program.

Although we only identified 5 unauthorized Providers who rendered services (and received payments) during the period of our audit, the District was at risk of also using the other 15 unauthorized Providers because they were listed as active in the MMIS. Further, the chance of accidents and the subsequent liability to the District increased each day that Providers transported NET Program participants without the appropriate WMATC certificate of authority, which requires compliance with insurance, safety, and vehicle-marking regulations.

If MAA-OPO had periodically compared the WMATC list of authorized motor vehicle carriers to NET Program Providers, they could have identified unauthorized Providers. Once identified, MAA-OPO should have removed the unauthorized Providers from active status. Finally, in view of the new arrangement for contracted Broker Services, effective October 19, 2007, we believe that DOH should coordinate with WMATC officials to establish procedures for timely notification to the Broker when Providers' operating status is suspended, revoked, or terminated.

**Federal Safety Regulations.** We determined that 5 of 50 Providers (10 percent) did not comply with federal safety regulations to perform annual safety inspections as required by 49 CFR § 396.17. In addition, two Providers informed us that the chair lifts had not been inspected in accordance with federal safety regulations set fourth in 49 CFR § 37.163.

*Annual Safety Inspections.* We determined that five Maryland Providers transporting NET Program participants did not comply with federal safety regulations to perform annual safety inspections. In one instance, we observed a van with a broken turn signal (Picture 1). We noted that the cover of the vehicle's left turn signal light was missing and that the bulb did not work. When asked to produce a copy of the last safety inspection, the owner stated that the last safety inspection occurred at the time the vehicle was purchased (about 4 years prior). The lack of a working turn signal light compromises the safety of passengers every time the driver attempts to turn left. An annual safety inspection could have identified this and other potential safety violations.

Further, 29 DCMR Section 943.9(d) requires each transportation provider to "present each vehicle used to transport a client for inspection by a certified inspection station every six months and provide proof that the vehicle has passed the inspection by submitting a copy of the certificate of inspection to MAA-OPO)." We noted that MAA did not have copies of annual or semi-annual safety inspection certificate in its files.

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## FINDING AND RECOMMENDATIONS

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**Picture 1. Maryland-Registered Van Without Working Turn Signal**



We believe that the lack of annual safety inspections occurred mainly because Providers did not obtain “For Hire” license tags as required by WMATC. A “For Hire” vehicle is a motor vehicle (other than a taxicab) with three or more doors and a seating capacity of twenty passengers or less, excluding the drivers. “For Hire” vehicles registered in Maryland display license plates with either the letter “B” or “P” in the number. These vehicles are required to have annual safety inspections. However, vehicles not registered as “For Hire” vehicles in Maryland are only required to obtain a safety inspection when purchased or when the title changes hands. Based on the license plate, the Provider vehicle shown in Picture 2 is not a “For Hire” vehicle. The “M” in the license number denotes a multi-purpose use vehicle, which should not be used to provide transportation services to NET Program participants because these Maryland vehicles are not subject to an annual safety inspection in Maryland.

**Picture 2. Maryland-Registered Van Without “For Hire” Tags**



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## FINDING AND RECOMMENDATIONS

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We also observed a NET Program Provider operating a District-registered vehicle with a broken right-side mirror (Picture 3). District vehicles are subject to annual safety inspections and District “For Hire” vehicles are subject to semi-annual safety inspections. Title 49 CFR § 396.7[a] states that a motor vehicle shall not be operated in such a condition as to likely cause an accident... In our opinion, a vehicle operating with a broken right-side mirror poses a safety hazard to the public in general, as well as a significant risk to NET Program participants due to the driver’s diminished ability to safely change lanes and hence the increased likelihood of causing an accident.

**Picture 3. District-Registered Van with Broken Mirror**



The broken mirror illustrates the need for MAA-OPO officials to supplement annual safety inspections with periodic reviews. For example, an internal control designed to determine compliance with safety requirements is to conduct unscheduled site visits to inspect Provider vehicles. We believe MAA-OPO should monitor the Broker to ensure that internal controls designed to determine compliance with federal safety regulations are established and implemented.

*Wheelchair Lifts & Other Special Equipment.* We observed two vans, one of which did not have a strap for securing the participant to the wheelchair and the other (which in our opinion) did not have the wheelchair strapped in properly. The drivers of the two vans stated that the lifts had not been inspected and we question whether any of the Providers participating in the NET Program inspect wheelchair lifts for compliance with federal regulations. Title 49 CFR § 37.163 requires transportation companies to establish a system of regular and frequent maintenance checks of lifts, vehicle operators to report any failure of a lift to operate, and transportation companies to remove the vehicle from service when a lift is discovered to be inoperative.

We could not locate MAA-OPO requirements for the inspection of vehicles or wheelchair lifts. According to WMATC officials, the inspection of wheelchair lifts is not

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## FINDING AND RECOMMENDATIONS

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included in the inspection performed before granting operating authority. Further, WMATC officials were not aware of any wheelchair lift inspections having been conducted. If MAA-OPO officials do not require wheelchair lifts to be inspected on a regular basis, the safety of NET participants may be compromised and the District faces an increased risk of liability should NET Program participants be injured while being transported in vehicles improperly equipped or functionally incapable of adequately and safely securing Medicaid recipients and wheelchairs.

**Hiring of Drivers.** Providers did not always hire reputable, responsible drivers in accordance with the Medicaid Provider agreement (Agreement).<sup>11</sup> We judgmentally selected 50 Providers for review of Provider hiring and screening processes. We determined that 25 Providers did not always perform criminal history checks, 21 Providers did not always perform drug testing, 45 Providers did not always check drivers' records, 40 Providers did not always ensure drivers obtained cardiopulmonary resuscitation (CPR) certifications, and 40 Providers did not always ensure drivers obtained first aid certifications.

*Criminal History Checks.* Of 50 Providers we reviewed for compliance with criminal history checks, 29 (58 percent) did not perform criminal history checks on 60 of 91 drivers (66 percent). Title 29 DCMR § 943.7(h) states that transportation provider's shall meet the requirements of D.C. Codes § 44-551(-54) (2001) which restrict the employment of anyone convicted of unlawful distribution or possession with the intent to distribute a controlled substance within the 7 years preceding the background check. We noted that one Provider knowingly employed a driver with a conviction for possession with intent to distribute cocaine. The conviction occurred within 4 years of the criminal history check.

*Drug Tests.* Our review showed that 28 of 50 Providers (56 percent) did not perform drug testing for 55 of 91 drivers (60 percent). As specified in 49 CFR Part 382, employers of commercial drivers are required to conduct pre-employment, random, reasonable suspicion, and post-accident testing for controlled substances. In addition, 49 CFR § 382.215, states "no driver shall report for duty, remain on duty or perform a safety-sensitive function, if the driver tests positive or has adulterated or substituted a test specimen for controlled substance. No employer having actual knowledge that a driver has tested positive or has adulterated or substituted a test specimen for controlled substance shall permit the driver to perform or continue to perform safety-sensitive functions." Further, the Agreement references the Drug-Free Work Place Act of 1988 (41 USC § 701 et seq.), which requires the implementation of an alcohol and drug-testing program.

We noted that 18 of 50 Providers (36 percent) scheduled drug tests for drivers after we made an appointment to review drug test records. Of the 18 Providers we evaluated for drug testing compliance, we found one that employed an individual who tested positive for

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<sup>11</sup> The Medicaid Provider Agreement is part of the enrollment process. The Agreement (1) specifies program requirements, (2) references applicable federal and District laws and regulations, and (3) constitutes a contract between NET Program Providers and MAA-OPO.

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## FINDING AND RECOMMENDATIONS

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opiates and phencyclidine.<sup>12</sup> During discussions with the Provider, we were informed that an independent investigation regarding the driver's positive drug test result had been conducted through a federal agency. According to the Provider, the federal agency indicated that the driver's explanation for the positive result was plausible and, therefore, the Provider continued to employ the driver. However, the Provider could not furnish us with documentation to support that an investigation had been performed. We also contacted the federal agency to discuss this matter and were informed that the explanation for the positive drug test was not valid. As a result, we question the Provider's judgment in the decision to retain the driver. We reviewed the list of Providers under the new Broker contract and noted that this Provider no longer operates under the NET Program.

*Driver Record Check.* Of the 50 Providers we reviewed for driver record checks, 43 Providers (86 percent) did not check drivers' records for 78 of 91 drivers (86 percent) and 18 Providers (86 percent) could not provide copies of employees' driver licenses. The Agreement requires Providers to submit to MAA copies of current drivers' licenses for all vehicle operators. We also noted that 6 of the 50 Providers (12 percent) checked drivers' records for 15 of 91 drivers (16 percent) after we scheduled our site visits and reviewed Provider records.

We also found that none of the 50 drivers had a commercial driver's license. Title 29 DCMR § 943.8 states that "[e]ach driver employed by a transportation services provider shall [p]ossess and maintain a valid commercial driver's license issued by the District of Columbia or by the jurisdiction where the person provides services[.]"

In addition, our review of drivers' records revealed that five drivers<sup>13</sup> were operating with license restrictions. Four of the five drivers were restricted from operating vehicles for compensation and were required to be accompanied by an authorized driver. The fifth driver was restricted from operating a vehicle unless accompanied by a driver authorized to drive the class of vehicle. Despite these restrictions, the Providers allowed the five drivers to transport NET Program participants.

*CPR Certification.* We found that 22 of the 50 Providers (44 percent) did not ensure that 42 of 91 drivers (46 percent) obtained the CPR certifications required by the Agreement. We also noted that 11 of the 50 Providers (22 percent) scheduled their employees for CPR training after we scheduled our appointments to review Provider records.

*First Aid Certification.* Of the 50 Providers reviewed for first aid certification, 35 (70 percent) did not ensure that 62 of 91 drivers (68 percent) obtained the first aid certifications required by the Agreement and 29 DCMR § 943.7.(g). We noted that 8 of the 50 Providers (16 percent) scheduled the first aid training after we scheduled review dates and times.

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<sup>12</sup> Phencyclidine is also known as PCP and Angel Dust. U.S. Dept. of Justice. <http://www.usdoj.gov/dea/concern/pcp.html>/ last visited Oct. 22, 2007.

<sup>13</sup> The 5 drivers were employed by 5 of the 50 Providers (10 percent).

## FINDING AND RECOMMENDATIONS

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MAA-OPO officials should require the Broker to conduct periodic reviews of Providers to determine compliance with significant requirements (such as the ones discussed above). Such reviews could have identified some of the deficiencies identified by our audit.

**Vehicle Markings.** We observed 10 of 70 vans (14 percent) that did not include the Provider's legal name and Certificate of Authority number. WMATC Rules of Practice and Procedures, Section 61-01, provides that the Provider's legal name and Certificate of Authority number must appear on both sides of the vehicle. WMATC also requires the name and number to contrast sharply in color with the background, be legible during day light hours from a distance of 50 feet, and be maintained in a manner preserving the required legibility.

NET Program participants should have the assurance that they are being transported by WMATC-certified carriers. If vehicles are not properly marked, participants may be unable to identify the Provider when reporting accidents, unsafe vehicles or conditions, inappropriate behavior, or inadequate service.

**Internal Controls Related to the Provider Enrollment Process.** MAA-OPO officials did not develop and implement adequate internal controls to ensure that Providers complied with the Provider enrollment process. In addition to the internal control weaknesses discussed in the body of this report, our review of 225 Provider files showed that 78 applications (35 percent) did not contain the required MAA-OPO approval signature (Providers were required to sign the Agreement as part of the enrollment process) and 21 files (9 percent) were either incomplete or missing.

The lack of a signature is a significant internal control weakness because the Agreement constitutes a contract between Providers and MAA-OPO. Had MAA-OPO officials conducted periodic reviews and identified similar discrepancies, attempts to take enforcement action could have been hindered by the lack of signature. See Table 2 for the results of our review of Provider files.

## FINDING AND RECOMMENDATIONS

<b>Table 2. Results of Provider File Review</b>				
<b>Issue</b>	<b>Number of Providers</b>	<b>Provider Participation in NET Program (FY 2005)</b>	<b>Provider Participation in NET Program (FY 2006)</b>	<b>Provider Participation in NET Program (FY 2007)<sup>14</sup></b>
Signed Agreements	126	\$5,743,958	\$6,970,866	\$3,545,307
Unsigned Agreements <sup>15</sup>	78	\$8,129,598	\$7,175,794	\$2,618,836
Missing Endorsement Page	4	\$604,325	\$529,949	\$121,008
Missing Application Files	8	\$779,786	\$668,943	\$275,817
Missing Provider Agreements	8	\$1,026,887	\$809,688	\$314,594
Incorrect Provider Number	1	\$25,813	\$23,968	\$16,796
<b>Total</b>	<b>225</b>	<b>\$16,310,367</b>	<b>\$16,179,208</b>	<b>\$6,892,358</b>

MAA-OPO relied on ACS to process the Provider enrollment application packages, as well as to maintain and update Provider files. The application package required Providers to submit, in part, the following documents/certifications:

- current WMATC Certificate of Authority;
- current WMATC Certificate of Insurance and Policy Endorsement;
- copies of current driver licenses for all vehicle operators;
- copies of current CPR and first aid certifications for all vehicle operators;
- criminal background checks for all proposed drivers (conducted within 60 days of submission);
- drug test results for all proposed drivers (conducted within 60 days of submission);
- recent vehicle inspections (no older than 3 months); and
- copies of vehicle registrations for all proposed vehicles.

At the time of our audit, ACS reviewed Provider enrollment application packages and submitted them to MAA-OPO for approval or denial. Although ACS reviewed the application package for completeness, we noted that incomplete packages were forwarded to MAA-OPO. Once the MAA-OPO Chief approved the enrollment application packages, the contractor entered the Provider data into the MMIS. However, we found no evidence of any substantive review of the enrollment application packages by MAA-OPO officials before approval. If MAA-OPO had reviewed the enrollment application packages, officials may have identified some of the deficiencies described in this report.

<sup>14</sup> Participation amount as of May 31, 2007.

<sup>15</sup> During the audit, on January 16, 2007, MAA-OPO issued a letter requiring the contractor to verify the approval signatures on the applications prior to entering data in the MMIS.

## FINDING AND RECOMMENDATIONS

During FY 2007, MAA-OPO used 225 Providers to service NET Program participants. Under the Broker contract, the number of Providers was reduced to 82. Of the 82 Providers, 23 were located in Virginia, 29 in the District and 30 in Maryland. Table 3 below shows the breakdown of Providers by jurisdiction.

<b>Table 3. Providers by Jurisdiction</b>		
<b>Jurisdiction</b>	<b>Number of Providers Before Award of the Broker Contract</b>	<b>Number of Providers Under the Broker Contract</b>
<b>DC</b>	69	29
<b>MD</b>	84	30
<b>VA</b>	72	23
<b>Totals</b>	<b>225</b>	<b>82</b>

This reduction in participating Providers should improve managements span of control over Medicaid transportation operations. Further, under the Broker contract, ACS is no longer responsible for processing Provider enrollment application packages. Since October 2007, ACS' responsibilities have been limited to updating participant eligibility and processing monthly payments to the Broker. Additionally, MAA-OPO is no longer responsible for approving Providers' participation in the NET Program. However, MAA-OPO officials are required to monitor the Broker's performance under the Broker contract.

### CONCLUSION

As discussed in the Perspective section of the Executive Digest, MAA-OPO officials believe the problems addressed in this report will be mitigated by the award of a contract to a Broker to operate the NET Program. We agree that contracting for Broker services may resolve some of the identified issues. However, the use of a Broker does not negate the need for MAA-OPO officials to ensure that the Broker operates the NET Program to provide efficient and effective transportation services consistent with the delivery of quality services as required by the contract and in compliance with WMATC, the D.C. Code, and federal requirements.

## FINDING AND RECOMMENDATIONS

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### RECOMMENDATIONS

We recommend that the Interim Director, Department of Health:

1. Perform periodic reviews as part of monitoring the Broker contract to ensure, in part, that NET Program Providers:
  - a. are authorized to operate by WMATC;
  - b. comply with federal safety regulations, including those related to transporting Americans with disabilities;
  - c. hire reputable, responsible drivers in compliance with laws and regulations; and
  - d. mark vehicles in accordance with WMATC requirements.
2. Conduct periodic reviews of NET Program files for accuracy and completeness.
3. Coordinate with WMATC officials to establish procedures for the timely notification of the Broker when the operating status of a Provider is suspended, revoked, or terminated.
4. Coordinate with the Broker to ensure compliance with the requirement for vehicle inspection every 6 months.
5. Coordinate with the Broker to ensure compliance with the requirement of a valid commercial driver's license for all drivers.

### DOH RESPONSE (Recommendation 1)

DOH concurred with the recommendation stating that DOH entered into a contract with a NET Broker on July 19, 2007, who will perform a complete review of all drivers and vehicles upon initial enrollment in the NET Provider network. DOH also stated that the Broker has developed a checklist for vehicle inspections that ensures compliance with federal safety regulations, to include a WMATC decal on vehicles.

### OIG COMMENT

We consider DOH's corrective actions to be responsive.

## FINDING AND RECOMMENDATIONS

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### **DOH RESPONSE (Recommendation 2)**

DOH concurred with the recommendation stating that the Broker will conduct a monthly desk audit of 10 percent of all files to ensure accuracy and completeness.

### **OIG COMMENT**

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

### **DOH RESPONSE (Recommendation 3)**

DOH concurred with the recommendation stating that WMATC will notify the Broker via email of any changes in Providers' certification status.

### **OIG COMMENT**

We consider DOH's corrective actions to be responsive to the recommendation.

### **DOH RESPONSE (Recommendation 4)**

DOH responded to the recommendation stating that all Providers are subject to an annual inspection, and that there is no reference in the contract that requires an inspection every 6 months.

### **OIG COMMENT**

DOH's response does not acknowledge compliance with District regulations. As discussed in the report, 29 DCMR § 943.9(d) requires each transportation Provider to "present each vehicle used to transport a client for inspection by a certified inspection station every 6 months and provide proof that the vehicle has passed the inspection by submitting a copy of the certification of inspection" to MAA-OPO.

### **DOH RESPONSE (Recommendation 5)**

DOH concurred with the recommendation stating that the Broker requires drivers to have a valid commercial driver's license prior to enrolling in the program. In addition, if a Provider changes or add drivers, those drivers are required to have their license information validated by the Broker, before being allowed to operate a vehicle that transports Medicaid recipients.

### **OIG COMMENT**

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

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

<b>Recommendations</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>	<b>Estimated Completion Date</b>	<b>Status<sup>16</sup></b>
1a	<b>Compliance and Internal Controls.</b> Verifies that NET Program Providers are authorized to operate in accordance with WMATC regulations.	Non-Monetary	January 29, 2008	Closed
1b	<b>Compliance and Internal Controls.</b> Determines compliance with federal safety regulations and Americans with Disabilities Act requirements.	Non-Monetary	January 29, 2008	Closed
1c	<b>Compliance and Internal Controls.</b> Verifies that the Medicaid population is transported by capable and efficient personnel.	Non-Monetary	January 29, 2008	Closed
1d	<b>Compliance and Internal Controls.</b> Verifies the existence of WMATC numbers for all Providers in the NET Program.	Non-Monetary	January 29, 2008	Closed
2	<b>Compliance and Internal Controls.</b> Ensures accuracy and completeness of Provider files.	Non-Monetary	January 29, 2008	Closed

<sup>16</sup>This column provides the status of a recommendation as of the report date. For final reports, “Open” means management and the OIG are in agreement 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. If a completion date was not provided, the date of management’s response is used. “Unresolved” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.

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

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Recommendations	Description of Benefit	Amount and Type of Benefit	Estimated Completion Date	Status <sup>16</sup>
3	<b>Internal Controls.</b> Ensures timely notification to the Broker when a Provider’s operating status is suspended, revoked, or terminated.	Non-Monetary	January 29, 2008	Closed
4	<b>Internal Controls.</b> Ensures that Provider vehicles are inspected every 6 months.	Non-Monetary		Unresolved
5	<b>Internal Controls.</b> Ensures that all drivers have a valid commercial driver’s license.	Non-Monetary	January 29, 2008	Closed

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This column provides the status of a recommendation as of the report date. For final reports, “**Open**” means management and the OIG are in agreement 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. If a completion date was not provided, the date of management’s response is used. “**Unresolved**” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.

## EXHIBIT B: DEPARTMENT OF HEALTH RESPONSE

	<b>GOVERNMENT OF THE DISTRICT OF COLUMBIA</b> <b>Department of Health</b>	<b>RECEIVED</b> 08 JAN 30 AM 10:36
	★ ★ ★ [REDACTED] [REDACTED]	
Office of the Director		
JAN 29 2008		
Charles J. Willoughby Inspector General Office of the Inspector General 717 – 14 <sup>th</sup> Street, N.W. Washington, D.C. 20005		
Dear Mr. Willoughby:		
This letter is written in response to your letter dated January 11, 2008, regarding the Office of the Inspector General's (OIG) <i>Audit of Non-Emergency Transportation Provider Compliance with License and Certification Requirements</i> (OIG No. 05-2-18HC(d)). The Department of Health (DOH), Medical Assistance Administration (MAA) has reviewed the OIG recommendations made in this report and offers the following actions that have been taken or are planned to be taken to address the identified issues.		
<b><u>Recommendations</u></b>		
1. <i>Perform periodic reviews as part of monitoring the Broker contract to ensure, in part, that NET program providers:</i>		
a. <i>Are authorized to operate WMATC;</i>		
<b><u>Response:</u></b>		
On July 19 <sup>th</sup> , 2007 the Department of Health (DOH), Medical Assistance Administration (MAA) contracted with a non-emergency transportation (NET) broker (the Broker). Upon initial enrollment into the NET provider network a complete review of all drivers and vehicles is conducted by the Broker. This initial review of potential transportation providers includes the verification and validation of WMATC certification. A provider must show proof of WMATC certification prior to formal enrollment with the Broker and evidence of certification is placed within the provider's file.		
b. <i>Comply with federal safety regulations; including those related to transporting Americans with disabilities;</i>		
825 North Capitol Street, N.E., Washington, D.C. 20002 (202) 442-5955		

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## EXHIBIT B: DEPARTMENT OF HEALTH RESPONSE

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**Charles Willoughby**  
**Inspector General**  
**OIG No. 05-2-18HC(d)**  
**Page Two**

**Response:**

The Broker has developed a checklist for vehicle inspections that ensures compliance with federal safety regulations and American with Disabilities Act (ADA) standards. Every vehicle registered with the Broker must pass this inspection and any deficiencies identified upon initial inspection must be corrected before formal acceptance in the transportation network. A copy of this checklist is placed in the provider's file.

The Broker is currently training a staff member to become a certified ADA inspector. While this was not a requirement of the contract, it provides an additional level of expertise with regards to vehicle inspections and further protects the well being of the Medicaid recipients that utilize NET services. It is expected that the staff member will have obtained the ADA certification by June 2008.

*c. Hire reputable, responsible drivers in compliance with laws and regulations; and*

**Response:**

- All drivers registered with the Broker's network are required to undergo a FBI background check prior to formal acceptance into the program. A copy of the background check is placed in the provider's file.
- All drivers are subject to an initial drug screening before they are granted permission to transport Medicaid clients. Drug screenings are then performed quarterly to ensure compliance.
- All drivers are required to provide proof of a valid commercial driver's license and a copy is placed in the provider's file.
- The Broker conducts regular training to drivers to review policies and proper conduct.
- Any complaints logged against drivers for reasons of bad conduct are documented. Such complaints are discussed with the driver and the driver is required to submit an incident report describing their recollection of the incident. If it is determined that the driver acted inappropriately, the driver is placed on corrective action or disciplinary citation. Both the incident and the corrective action plan are maintained in the provider file.

*d. Mark vehicles in accordance with WMATC requirements.*

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## EXHIBIT B: DEPARTMENT OF HEALTH RESPONSE

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**Charles Willoughby**  
**Inspector General**  
**OIG No. 05-2-18HC(d)**  
**Page Three**

**Response:**

Currently, the need for a WMATC decal on the vehicle is not part of the Broker's checklist. As a result of this report, the Broker has updated its checklist to include this as a requirement.

2. *Conduct Periodic reviews of NET Program files for accuracy and completeness.*

**Response:**

The Broker conducts a monthly desk audit of 10% of all files to ensure accuracy and completeness. Reports of the outcome of these desk audits are kept and available to the COTR upon requests. In addition, the Broker program will be audited at the end of every contract year.

3. *Coordinate with WMATC officials to establish procedures for the timely notification of the Broker when the operating status of a Provider is suspended, revoked, or terminated.*

**Response:**

Upon any change in status, WMATC notifies the Broker via email that a certification has expired. The Broker places the provider on suspension and transfers any scheduled trips to other transportation providers. Upon verification that certification is again in good standing, the Broker removes the provider from a suspended status.

4. *Coordinate with the Broker to ensure compliance with the requirement for vehicle inspection every 6 months.*

**Response:**

All providers are subject to an inspection annually to ensure compliance. There is no reference in the contract that requires this to be done every six months as was stated in your letter; however MAA is open to discuss the advantages of performing inspections bi-annually.

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## EXHIBIT B: DEPARTMENT OF HEALTH RESPONSE

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**Charles Willoughby**  
**Inspector General**  
**OIG No. 05-2-18HC(d)**  
**Page Four**

*5. Coordinate with the Broker to ensure compliance with the requirement of a valid commercial driver's license for all drivers.*

**Response:**

The requirement to have a valid commercial driver's license is needed prior to enrollment with the Broker's network. If a transportation provider changes or adds drivers to their company, those drivers are required to have a federal background check and have their license information validated by the Broker before being allowed to operate a vehicle for Medicaid recipients. This information is verified annually.

**Additional Oversight Activities:**

In addition to addressing the issues identified above, MAA is using the Broker to increase quality and integrity throughout the NET program. Medical necessity is one area where MAA feels the Broker has made great strides. Currently, any recipients who need transportation at a level higher than bus or train, are required to have a medical necessity form completed by their medical provider.

At the same time, MAA is working with the Broker and the Department of Disabilities Services (DDS) to operationalize "medical necessity" for social services as well. Under our MOU with DDS, DDS case managers will document DDS transportation "medical necessity" for social services transportation needs.

Lastly, with the use of the Broker, MAA can now capture accurate and reliable data surrounding the NET program. Having this data at our disposal allows MAA to make better decisions and produce more targeted approaches to improving the NET program. The Medical Assistance Administration has worked diligently to improve the non-emergency transportation program and continues to do so. The implementation of the Broker is an enormous step towards ensuring the quality and integrity of the NET program. However, MAA understands that migrating towards the Broker model is not the sole solution but a good first step. MAA will continue to work with the Broker, consumer advocates and sister agencies to identify and develop ways to better serve our clients while maintaining a fiscally sound NET program.

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**EXHIBIT B: DEPARTMENT OF HEALTH RESPONSE**

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**Charles Willoughby**  
**Inspector General**  
**OIG No. 05-2-18HC(d)**  
**Page Five**

If you have questions or need additional information, please contact Mr. Juan Peralta,  
Acting Chief, Office of Program Operations, at 202-698-2008.

Sincerely,



Carlos Cano, MD  
Interim Director  
Department of Health