



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued June 5, 2015

Office of Medicaid (MassHealth)—Review of Non-Emergency Ambulance Transportation

For the period January 1, 2012 through December 31, 2013





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Suzanne M. Bump

Making government work better

June 5, 2015

Ms. Marylou Sudders, Secretary
Executive Office of Health and Human Services
One Ashburton Place, 11th Floor
Boston, MA 02108

Dear Ms. Sudders:

I am pleased to provide this performance audit of the Office of Medicaid's (MassHealth's) non-emergency ambulance transportation. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, January 1, 2012 through December 31, 2013. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to MassHealth for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular background.

Suzanne M. Bump
Auditor of the Commonwealth

cc: Daniel Tsai, Assistant Secretary and Director of MassHealth

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW OF AUDITED ENTITY	3
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	5
DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE.....	9
1. MassHealth did not ensure that certain transportation providers maintained properly completed Medical Necessity Forms for up to \$3.7 million of services.	9
2. Certain transportation providers did not consistently complete Criminal Offender Record Information checks for ambulance drivers and attendants.....	11
3. Duplicate payments totaling \$8,594 were made for non-emergency transportation.	13

LIST OF ABBREVIATIONS

CMR	Code of Massachusetts Regulations
CMS	Centers for Medicare and Medicaid Services
CORI	Criminal Offender Record Information
EOHHS	Executive Office of Health and Human Services
MCO	managed-care organization
MMIS	Medicaid Management Information System
MNF	Medical Necessity Form
OSA	Office of the State Auditor
PCR	Patient Care Report

EXECUTIVE SUMMARY

MassHealth, the state's Medicaid program, provides access to healthcare services to approximately 1.4 million eligible low- and moderate-income individuals, couples, and families annually. In fiscal year 2013, MassHealth paid healthcare providers more than \$10.8 billion, of which approximately 50% was funded by the Commonwealth. Medicaid expenditures represent approximately 33% of the Commonwealth's total annual budget.

The Office of the State Auditor has conducted an audit of MassHealth's non-emergency ambulance transportation for the period January 1, 2012 through December 31, 2013. The purpose of this audit was to determine whether MassHealth was properly administering non-emergency ambulance transportation in accordance with applicable federal and state requirements.

MassHealth is responsible for ensuring the integrity of all Medicaid paid claims. To this end, MassHealth adjudicates claims through its Medicaid Management Information System (MMIS). MassHealth has established system edits that MMIS uses to determine whether a claim will be paid, denied, or suspended. Also, MassHealth's Provider Compliance Unit reviews claim history and selects some claims for manual review. Finally, MassHealth's Claims Processing Unit works with ambulance service providers to resolve issues related to denied or suspended claims.

In order to ensure that it properly administers non-emergency ambulance transportation, MassHealth must have effective controls in place, including program regulations, operating policies and procedures, monitoring activities, and enforcement action. In addition, MassHealth must have system edits to detect and deny claims for medically unnecessary or duplicative non-emergency ambulance transportation in accordance with applicable state and federal laws and regulations.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 Page 9	Certain transportation providers did not maintain properly completed Medical Necessity Forms (MNFs). This affected services that totaled as much as \$3.7 million.
Recommendation Page 10	MassHealth should ensure that providers maintain properly completed MNFs to support their non-emergency transportation claims. For example, MassHealth should consider performing periodic site visits at provider locations to verify compliance with MNF requirements.

Finding 2 Page <u>11</u>	Certain transportation providers did not consistently complete Criminal Offender Record Information (CORI) checks for ambulance drivers and attendants.
Recommendations Page <u>12</u>	<ol style="list-style-type: none">1. MassHealth should immediately notify all ambulance providers of the requirements for CORI checks and periodically give subsequent reminders to these providers.2. MassHealth should establish an effective monitoring process to ensure that its transportation providers perform required CORI checks for all drivers and attendants.
Finding 3 Page <u>13</u>	For \$8,594 of services, members enrolled in managed-care organizations (MCOs) had their transportation paid for both by the MCO and by MassHealth. Thus duplicate payments were made for the transportation.
Recommendations Page <u>14</u>	<ol style="list-style-type: none">1. MassHealth should update member enrollment data promptly to ensure that claims are paid properly.2. MassHealth should develop policies and procedures to detect and deny duplicate payments for non-emergency medical transportation.3. MassHealth should work with MCOs to recover the \$8,594 in duplicate payments that we identified in relation to this issue.

For each non-emergency ambulance claim reviewed, we found a corresponding medical claim on the same date of service. This appears to indicate that transportation was appropriately provided in all of the claims reviewed; the problems we identified were related to payment for services, not whether they should have been provided at all.

OVERVIEW OF AUDITED ENTITY

Under Chapter 118E of the Massachusetts General Laws, the Executive Office of Health and Human Services (EOHHS) is responsible for the administration of the state's Medicaid program, known as MassHealth. For the two-year period January 1, 2012 through December 31, 2013, MassHealth paid approximately \$18.9 million for non-emergency ambulance transportation for 25,614 members, as detailed below.

Amount Paid for Non-Emergency Ambulance Transportation

Calendar Year	Paid Amount	Members Served	Number of Claims
2012	\$ 9,536,141	14,969	49,119
2013	\$ 9,341,519	14,369	47,883
Total	<u>\$18,877,660</u>	<u>29,338*</u>	<u>97,002</u>

* Of these 29,338 members, the unduplicated member count is 25,614.

Medicaid

Medicaid is a joint federal-state program created by Congress in 1965 as Title XIX of the Social Security Act. At the federal level, the Centers for Medicare and Medicaid Services (CMS), within the federal Department of Health and Human Services, administer the Medicare program and work with the state governments to administer their Medicaid programs.

Each state administers its Medicaid program in accordance with its CMS-approved state plan. States have considerable flexibility in designing and operating their Medicaid programs, but must comply with applicable federal requirements established by Title XIX, Section 1902, of the Social Security Act.

Non-Emergency Ambulance Transportation

MassHealth provides non-emergency ambulance transportation when it is medically necessary for MassHealth members. MassHealth members are eligible for this transportation if they have certain medical conditions, such as orthopedic, pediatric, psychiatric, or neurological conditions, that always require transportation by an ambulance. According to state regulations, the non-emergency transportation must be requested for the member by certain authorized individuals, including the member's physician, nurse, or nurse practitioner, in order to be paid for by MassHealth. It must be authorized by a Medical Necessity Form, filled out by the member's caregiver. The form must include

the date of service; authorizing signature; authorization period¹ (the period when a member can receive transportation); the nature of the member's condition that warrants an ambulance, as opposed to a less costly form of transportation; and a description of the member's specific medical condition.

Ambulance Service Providers

Eighty-two ambulance service providers contract with EOHHS to provide non-emergency transportation to MassHealth members. MassHealth regulations require contracted ambulance service providers to maintain documentation to support claims for this transportation, including the origin and destination, the procedure code, the mileage, the condition of the patient, the services provided, the names of the driver and attendant, evidence that the driver and attendant have had annual Criminal Offender Record Information checks, and the type of ambulance used (basic life support or advanced life support). The ambulance service provider is also required to verify the member's type of insurance. For example, if the member is enrolled in one of MassHealth's contracted managed-care organizations (MCOs),² the provider must either remit the claim to the MCO for payment or obtain a denial letter from the MCO in order to send the claim to, and receive payment from, MassHealth.

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1. The authorization period may not exceed one month without review of medical records.
 2. MassHealth contracts with MCOs to coordinate the delivery and payment of services for certain members who have MCO health plans. MassHealth pays the MCO a fixed monthly fee (capitation premium) for each member enrolled in the MCO. In turn, the MCO pays healthcare providers for these members' medical services.
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AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, the Office of the State Auditor (OSA) has conducted a performance audit of the Office of Medicaid's (MassHealth's) non-emergency ambulance transportation for the period January 1, 2012 through December 31, 2013.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Did MassHealth determine that non-emergency ambulance transportation was properly authorized?	No; see Finding <u>1</u>
2. Did MassHealth establish policies and procedures to ensure that Criminal Offender Record Information (CORI) checks were consistently performed and documented for all ambulance drivers and attendants?	No; see Finding <u>2</u>
3. Did MassHealth establish system edits to ensure that non-emergency ambulance transportation claims paid as fees for service by MassHealth were not also paid by a managed-care organization (MCO)?	No; see Finding <u>3</u>

To achieve our audit objectives, we reviewed applicable state and federal laws, rules, and regulations; MassHealth Provider Bulletins and Transmittal Letters; and MassHealth's 2012 Claims Operations Internal Control Plan and Transportation Manual. We also reviewed prior MassHealth audits conducted by OSA, the federal Department of Health and Human Services, and other independent auditors.

We requested from MassHealth various internal control plans, organization charts, and policies and procedures for both its Provider Compliance Unit and its Claims Processing Unit. However, we did not receive this documentation until almost three months after it was requested. Because we did not receive this documentation in a timely manner, we were not able to perform all of our planned testing

of the relevant internal controls. However, this did not prevent us from achieving the audit’s objectives, because we increased the amount of testing we performed at the selected service providers to reflect the highest level of risk.

We obtained all MassHealth’s non-emergency ambulance transportation claims (totaling \$18,877,660) for the two-year audit period from its Medicaid Management Information System (MMIS). These paid claims included, at a minimum, each member’s unique MassHealth identification number, the procedure code and description, the provider type, the date of service, the claim type, the primary diagnosis code and description, the place of service, the unit of service, the amount billed, and the date of payment. We performed data analytics on these claims to identify (1) the frequency and cost of services performed by non-emergency ambulance transportation providers and (2) service trends and billing anomalies indicating potential fraud, waste, and abuse. Our data analytics identified high transportation costs associated with non-emergency ambulance transportation providers as well as billing issues with members enrolled in MCOs. From the MMIS claim data, we identified the top 10 providers of non-emergency ambulance transportation, shown in the table below.

Top 10 Providers of Non-Emergency Ambulance Service

Service Provider	Vehicle Cost	Mileage Cost	Total Cost
EasCare, LLC	\$2,879,117	\$ 586,212	\$ 3,465,329
American Medical Response	1,251,584	602,653	1,854,237
Fallon Ambulance Service	1,412,847	264,491	1,677,338
Vital Emergency Medical Services	698,625	171,640	870,265
Trinity Emergency Medical Service	596,882	173,931	770,813
Baystate Health Ambulance	556,036	211,968	768,004
Armstrong Ambulance Service	571,446	141,369	712,815
PrideSTAR EMS Inc.	540,021	159,521	699,542
Brewster Ambulance Service Inc.	532,142	156,930	689,072
Lifeline Ambulance Service LLC	537,755	82,878	620,633
Total	<u>\$9,576,455</u>	<u>\$2,551,593</u>	<u>\$12,128,048</u>

The top 10 providers account for more than 64% of the total non-emergency ambulance transportation claims.

From these 10 non-emergency ambulance service providers, we reviewed a statistical sample of a total of 60 member files to determine whether paid claims were properly authorized and supported by valid Medical Necessity Forms (MNFs). We determined whether valid MNFs were fully completed for all non-emergency ambulance transports. We also determined whether the mileage denoted in the Patient Care Report (PCR)³ for each claim was consistent with the mileage billed and whether the member had a medical procedure in connection with the transportation. In addition, we verified that each driver and attendant listed in each claim had the required certifications, including an emergency medical technician and paramedic license. Also, we determined whether these providers performed and documented an initial and annual CORI check for each driver and attendant. Based on the results of the testing of the 60 claims, and because of the high internal control risk, we tested an additional randomly selected 40 claims at each of the 10 providers (a total of 400 claims) to ensure that each claim had a valid MNF and proper mileage.

To assess the reliability of processed data, we performed validity tests on all claim data, including tests for missing data elements, fields, and/or values; duplicate records; relationships between data elements; and values within designated periods. Additionally, we randomly selected key source data from two of the service providers and compared the PCR data with the data in MMIS to satisfy ourselves that the MMIS data could be relied on.

We also relied on the work of other auditors who had examined the information system controls for MMIS. We reviewed KPMG's⁴ fiscal year 2013 design and effectiveness testing of MMIS's general information-technology controls, including user access to programs and data, program changes, and computer operations.

In addition, we relied on the work performed and conclusions reached in our Audit No. 2011-1374-4T, reflected in our report "Review of the Internal Controls Established by the Executive Office of Health and Human Services and MassHealth over Selected Information System Applications," issued August 13, 2012. The report, which covered the 18-month period ended June 30, 2011, stated that 488 of the 1,462 MMIS user accounts, or 33%, were associated with individuals who no longer worked at MassHealth. To resolve this problem, OSA recommended that the user access security controls at the Executive Office of Health and Human Services (EOHHS) be strengthened by "ensuring that access privileges for

3. This form documents the medical care given by the ambulance provider to a patient; it includes the patient name, the source and destination addresses, and the number of miles driven.

4. KPMG LLP is the auditor for the Commonwealth's Single Audit for the fiscal year ended June 30, 2013.

unauthorized users are deactivated or modified when a change in an employee's status results in the user no longer requiring access to information-technology resources, or when a change in an employee's position or responsibilities requires a change in access privileges." In response to our report, EOHHS stated, in part,

EOHHS will formalize and implement a new Security Request Process . . . and will reissue the Security Request Policy which states that "When requesting access to or a change in access to MIS Resources a Security Request Form, must be completed, authorized by the Users Director or Assistant Director, and submitted to the IT Security Operations Unit. This form is required to be completed by the Director when an employee is hired, transferred, promoted, demoted, terminated or at any other time that an employee's access level or job function changes." . . .

In addition the EOHHS Personal Liaisons and EOHHS IT Personnel Department will notify [EOHHS] Security Operations of all terminations.

Based on our current audit work, KPMG's fiscal year 2013 testing of the MMIS information-technology controls, and the corrective action planned by EOHHS to resolve our prior audit issues, we have determined that the claim data obtained were sufficiently reliable for the purposes of this report.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. MassHealth did not ensure that certain transportation providers maintained properly completed Medical Necessity Forms for up to \$3.7 million of services.

During our audit period, MassHealth did not have adequate controls over the administration of non-emergency transportation to ensure that it was properly authorized and medically necessary. As a result, certain transportation providers did not maintain the required properly completed Medical Necessity Forms (MNFs) for some members. The Office of the State Auditor (OSA) estimates that for the service providers included in our testing, MassHealth processed an estimated \$3,680,796 in questionable payments for non-emergency ambulance transportation during the audit period.

In our sample test of 60 claims, 11 MNFs (18%) were missing; inaccurate; or signed by an individual, such as a licensed practical nurse, who was not authorized to approve transportation. Further, using generally acceptable statistical sampling projection techniques, we determined with a 95% confidence level that as many as 19,237 (30.3%)⁵ of the total 63,385 claims were questionable. These 19,237, at an average of \$191.34 per claim, resulted in a total of \$3,680,796 in questionable claims. Our subsequent testing of an additional randomly selected 400 claims supported our initial test results and projections.

Authoritative Guidance

Section 407.421(D) of MassHealth's Transportation Manual describes the MNF as follows:

- (1) Purpose. *The Medical Necessity Form is used to authorize medical necessity for wheelchair van trips for members residing in an institutionalized setting and for nonemergency ambulance service for all eligible members. The member's medical record must support the information given on the Medical Necessity Form. . . .*
- (2) Required Signature. *Only a physician, physician assistant, nurse midwife, dentist or dental third-party administrator, nurse practitioner, psychologist, or managed-care representative may sign a Medical Necessity Form. The Medical Necessity Form may be signed at either the trip's origin or destination.*
- (3) Transportation Provider's Responsibility. . . .
 - (b) *Transportation providers are responsible for completeness of Medical Necessity Forms. The completed Medical Necessity Form must be kept by the transportation provider as a record for six years from the date of service.*

5. We used a Poisson statistical sampling approach to estimate the maximum number of questionable claims. Under this sampling approach, the sample of 60 claims, with 11 that had missing forms, resulted in an error rate as high as 30.3% using the number of claims in the sample.

Reasons for Noncompliance

The transportation providers we visited acknowledged that they must maintain a properly completed MNF to support each member transportation claim. However, providers stated that it was sometimes difficult to retrieve the proper signatures if facilities were busy while patients were being prepared for transportation. In addition, some providers were under the impression that licensed practical nurses were approved to authorize MNFs. Lastly, providers stated that missing MNFs could be attributed to misfiling on their part.

In addition, MassHealth did not have internal controls in place to effectively monitor non-emergency ambulance transportation providers. Although MassHealth's Provider Compliance Unit performs reviews of transportation claims in its office, it does not perform site visits to ensure that transportation providers maintain completed MNFs for member services. This is significant, because MNFs are maintained at the ambulance providers; they are not stored in MassHealth's Medicaid Management Information System (MMIS) database for its review and are not routinely submitted to MassHealth.

Recommendation

MassHealth should ensure that providers maintain properly completed MNFs to support their non-emergency transportation claims. For example, MassHealth should consider performing periodic site visits at provider locations to verify compliance with MNF requirements.

Auditee's Reply

MassHealth recognizes that [OSA's] finding raises important provider recordkeeping and compliance issues and will therefore implement the following actions:

- 1. Within 90 days, MassHealth will post to its website and mail to all MassHealth non-emergency ambulance providers a Transmittal Letter that clearly explains the need for providers to complete and maintain a Medical Necessity Form for non-emergency ambulance transportation claims, directions for completing the MNF, information required on the MNF (including authorized signatories, member's date of birth, authorization period, nature of the member's condition, etc.).*
- 2. MassHealth will develop and issue an updated, standardized Medical Necessity Form to be utilized by all non-emergency transportation providers. This project is already underway.*
- 3. MassHealth will amend 130 [Code of Massachusetts Regulations, or CMR] 407.42I(D)(2) to include the clarification set forth in All Provider Bulletin 229.*
- 4. MassHealth will review the current 30-day MNF authorization period set forth in 130 CMR 407.42I(D)(4) and will consider amending that provision to align this period with the 60-day Medicare authorization period.*

5. *The Program Integrity Unit will conduct a sampling of 10% of non-emergency transportation providers to determine if they have complied with the requirements of 130 CMR 407.42I(D) and All Provider Bulletin 229.*
6. *After the Program Integrity Unit sampling is complete, MassHealth will initiate periodic site visits of non-emergency transportation providers to verify compliance with MNF requirements. . . .*

MassHealth, upon its review, has concerns regarding the extrapolation of eleven claims that [OSA] deemed questionable. This finding leads MassHealth to believe that [OSA] did not fully take into account MassHealth's policies as they relate to authorized signatories for MNFs. In 2009, MassHealth inadvertently deleted "physician's designee" from the list of MNF authorized signatories listed in 130 CMR 407.42I(D)(2) during the process of amending the regulation. When this drafting error was discovered in 2012, during the audit period, MassHealth issued All Provider Bulletin 229 to clarify that a "physician's designee," continued to be authorized signatories for MNFs. As noted in item 3 above, MassHealth will amend 130 CMR 407.42I(D)(2) to include the clarification set forth in All Provider Bulletin 229, to prevent any confusion.

Auditor's Reply

OSA did use the additional criteria stated in All Provider Bulletin 229, and we would have deemed an MNF compliant if the "physician's designee" title had been used. However, of the 11 improperly authorized MNFs in question, none included any of the titles contained in this bulletin, including "physician's designee."

In addition, in its response, MassHealth requested that we remove the reference to the \$3.7 million financial impact because we are not recommending the recovery of these funds. Although OSA concurs that MassHealth should not recover the \$3.7 million from providers, we have included the extrapolated value of these errors as an indication of the potential magnitude of the problem and the need for MassHealth to take corrective action to ensure that all transportation is supported by complete, valid, and accurate MNFs.

2. Certain transportation providers did not consistently complete Criminal Offender Record Information checks for ambulance drivers and attendants.

Our audit found that certain transportation providers did not consistently complete Criminal Offender Record Information (CORI) checks for ambulance drivers and attendants. As a result, MassHealth cannot be certain that employees with disqualifying criminal records do not have access to vulnerable MassHealth members, including those who are elderly, underage, and/or disabled.

In our testing of 60 claims, representing 112 ambulance drivers and attendants, we determined that 6 (5%) had never had a CORI check, 96 (86%) had had initial CORI checks but lacked annual recertifications (some long-term drivers and attendants had not had a CORI check since the regulation requiring them was enacted), and the remaining 10 (9%) had both initial and annual CORI checks.

Only 1 of the 10 providers tested was adequately performing initial and annual CORI checks.

Authoritative Guidance

MassHealth's transportation providers must comply with 130 CMR 407.405(B), which states,

The provider must ensure that drivers and attendants, before any contact with a MassHealth member, provide written references and undergo a Criminal Offender Record Information (CORI) check. The CORI must be in compliance with guidelines that the Executive Office of Health and Human Services may issue. The CORI must remain on file at the transportation provider's place of business and must be conducted annually thereafter.

Reasons for Lack of CORI Checks

Eight of the 10 ambulance service providers sampled told us that they were not aware of the state regulations requiring an annual CORI check for drivers and attendants. It should be noted that as we made these providers aware of the CORI requirements, they began conducting CORI checks for each driver and attendant, which resulted in one employee of a provider being placed on administrative leave. In addition, the providers stated that they would begin including the required annual CORI check within each driver's and attendant's annual performance review. Finally, one transportation provider hiring manager stated that initial and annual CORI checks were unnecessary because he could recognize during an interview whether an individual had a problem that would surface in a CORI check.

In addition, MassHealth has not established monitoring controls to ensure that all transportation providers perform initial and annual CORI checks for their drivers and attendants.

Recommendations

1. MassHealth should immediately notify all ambulance providers of the requirements for CORI checks and periodically give subsequent reminders to these providers.
2. MassHealth should establish an effective monitoring process to ensure that its transportation providers perform required CORI checks for all drivers and attendants.

Auditee's Response

While [OSA] notes that a large majority of the providers in its sample did complete initial CORI checks, MassHealth recognizes that this finding raises an important provider education issue regarding MassHealth's requirement that providers complete annual CORI checks on drivers and attendants. MassHealth will therefore initiate the following actions:

- 1. MassHealth will include, in the Transmittal Letter discussed above, a discussion of the requirement at 130 CMR 407.405(B) that providers perform CORI checks for new employees and annual CORI recertification of existing employees, with an emphasis on the annual recertification requirement.*
- 2. MassHealth will develop and implement a process for sending non-emergency transportation providers periodic reminders of the need to obtain annual CORI recertification of employees.*
- 3. MassHealth will conduct a site visit and review CORI records for all non-emergency ambulance providers as part of MassHealth's currently ongoing revalidation process for all MassHealth providers.*

3. Duplicate payments totaling \$8,594 were made for non-emergency transportation.

During the audit period, duplicate payments totaling \$8,594⁶ were made for non-emergency transportation for members enrolled in managed-care organizations (MCOs). As previously discussed, MCOs pay for a variety of healthcare services for members. However, 37 members enrolled in MCOs had their transportation paid for by both the MCO and MassHealth. Thus duplicate payments were made for the transportation.

Authoritative Guidance

Federal laws indicate, or specifically state, that duplicate payments are not permitted. Section 1902(a)(37)(B) of the Social Security Act (42 US Code 1396a[a][37][B]) requires "proper and efficient payment of claims and management of the program," and Section 1902(a)(30)(A) of the Social Security Act (42 US Code 1396a[a][30][A]) requires that payments be "consistent with efficiency, economy, and quality of care." In addition, 31 US Code 3321(2)(d)(2)(A) and (B) state that duplicate payments are improper and should not be made.

6. To develop this finding, we analyzed all claims for non-emergency ambulance transportation services during the audit period. Our analysis was not limited to the top 10 non-emergency ambulance transportation service providers listed in this report.

Reasons for Improper Payments

MassHealth tracks member enrollment status in a specific MMIS data file. The data file captures, among other things, each member's name, unique identification number, dates of enrollment, and health plan. MMIS refers to this data file when adjudicating provider claims to determine whether a member's services are covered through an MCO or paid for on a fee-for-service basis. MassHealth must update member enrollment data promptly to ensure that claims are paid properly. MassHealth acknowledged that in some cases, MMIS's data file is not updated until after the member has been added to, or removed from, an MCO plan. Until a member's enrollment status is updated, MMIS has incorrect enrollment data to use to adjudicate provider claims. Had MassHealth updated members' enrollment status promptly, MMIS would have properly adjudicated the claims to prevent duplicate payments.

Recommendations

1. MassHealth should update member enrollment data promptly to ensure that claims are paid properly.
2. MassHealth should develop policies and procedures to detect and deny duplicate payments for non-emergency medical transportation.
3. MassHealth should work with MCOs to recover the \$8,594 in duplicate payments that we identified in relation to this issue.

Auditee's Response

MassHealth agrees that these claims were duplicative. . . . The payments identified as duplicates by [OSA] are more accurately characterized as improper payments by the MCOs and should be reviewed and recovered by the MCO, if necessary. MassHealth appreciates that [OSA] identified this anomaly and will work with the MCOs to remedy this and ensure it does not happen in the future.

Auditor's Reply

We agree with MassHealth that the MCOs, with MassHealth's assistance, should recover the \$8,594 in duplicative payments. However, MassHealth's response did not address the primary cause of this problem, i.e., the untimely updating of member enrollment status. By addressing this problem, MassHealth can help prevent future payments for non-emergency transportation.