

Audit Report

# Emergency Ambulance Services at American Medical Response

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A Texas Medicaid Ambulance Provider



**Inspector  
General**

Texas Health  
and Human Services

August 18, 2022

OIG Report No. AUD-22-022



# Emergency Ambulance Services at American Medical Response

A Texas Medicaid Ambulance Provider

## Results in Brief

### Why OIG Conducted This Audit

During the audit scope, American Medical Response (AMR) received \$13,791,149 for ground emergency ambulance claims processed through Texas Medicaid. This includes fee-for-service payments directly from the Texas Health and Human Services Commission (HHSC) of \$811,307, as well as payments from 18 managed care organizations (MCOs) of \$12,979,842. For purposes of this audit, auditors examined payments for ground emergency ambulance claims from two selected MCOs totaling \$6,364,244.

### Summary of Review

The audit objective was to determine whether AMR ensured its contractor billed claims to Superior HealthPlan (Superior) and Amerigroup Texas (Amerigroup) in accordance with applicable statutes, rules, and procedures in the managed care environment. The audit scope includes ground emergency ambulance claims for the period from September 1, 2019, through August 31, 2021.

### Conclusion

American Medical Response's (AMR's) contractor billed ground emergency ambulance claims to Superior and Amerigroup in accordance with most requirements. AMR maintained support for the transport and level of service performed; however, it did not always bill for the accurate mileage or for the correct patient.

### Key Results

AMR's contractor billed ground emergency ambulance claims to Amerigroup and Superior in accordance with most requirements. For a sample of 120 ground emergency ambulance claims tested, AMR:

- Maintained a record of the transport for the correct date of service.
- Recorded accurate client data. Claims data submitted to MCOs—such as client name and date of birth—matched AMR's transport documentation.
- Transported patients to a facility, such as a hospital, that provided emergency services.
- Maintained support for the level of service billed.

However, it did not always bill for the accurate mileage or for the correct patient. Specifically:

- AMR inaccurately reported mileage from the pickup to the destination for one claim out of 120 random sample items and one claim out of eight additional risk-based sample items selected. AMR's medical crew entered the incorrect number of miles into their electronic patient record. These incorrectly submitted claims resulted in an overpayment of \$1,144.53.
- AMR and its contractor billed the incorrect patients for 14 (7 percent) of 193 transports tested as part of a risk-based sample. AMR and its billing contractor mistakenly billed relatives, members with similar names, or members with the same or similar birth dates as the patients. These incorrectly submitted claims resulted in an overpayment of \$4,220.54.

## **Audit Methodology**

OIG Audit obtained the universe of claims paid to AMR. From that universe, OIG statisticians selected two statistically valid random samples of clients who had paid claims, including one through Superior and one through Amerigroup, for ground emergency ambulance services. Additionally, OIG Audit selected two risk-based, non-statistical samples to test (a) transports without corresponding medical claims and (b) outlier mileage claims.

## **Background**

Medicaid covers emergency ambulance services to members having an emergency medical condition or an emergency behavioral health condition.

AMR provides ground medical transportation, including both emergency and non-emergency ambulance services, for patients who have Texas Medicaid coverage. AMR's billing contractor handles medical coding and sends claims to MCOs for payment on behalf of AMR.

## **Recommendations**

AMR should:

- Repay \$5,365.07 to the state of Texas.
- Implement a process to ensure mileage entered by the medical crew reasonably matches the distance between the pickup and destination facilities.
- Have a process to verify patient information prior to submitting the information to its billing contractor for claims submission.

## **Management Response**

OIG Audit presented preliminary audit results, issues, and recommendations to AMR in a draft report dated August 2, 2022. AMR agreed with the audit recommendations and asserted corrective actions had already been implemented or would be implemented by September 2022. AMR's management responses are included in the report following each recommendation.

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# Audit Overview

## Overall Conclusion

American Medical Response's (AMR's) contractor billed ground emergency ambulance claims to Superior and Amerigroup in accordance with most requirements. AMR maintained support for the transport and level of service performed; however, it did not always bill for the accurate mileage or for the correct patient.

## Key Audit Results

For the sample of 120 ground emergency ambulance claims tested, AMR:

- Maintained a record of the transport for the correct date of service.
- Recorded accurate client data. Claims data submitted to managed care organizations (MCOs)—such as client name and date of birth—matched AMR's transport documentation.
- Transported patients to a facility, such as a hospital, that provided emergency services.
- Maintained support for the level of service billed.

However, AMR inaccurately reported mileage from the pickup to the destination for one claim out of 120 random sample items and one claim out of eight additional risk-based sample items selected. Additionally, AMR billed for the incorrect patient for 14 out of 193 ground emergency ambulance claims tested as part of a risk-based sample selected.

### Objective

The audit objective was to determine whether AMR ensured its contractor billed claims to Superior HealthPlan, Inc. (Superior) and Amerigroup Texas, Inc. (Amerigroup) in accordance with applicable statutes, rules, and procedures in the managed care environment.

### Scope

The audit scope included ground emergency ambulance claims for the period from September 1, 2019, through August 31, 2021.

## **Audit Methodology**

OIG Audit obtained the universe of claims paid to AMR. From that universe, OIG statisticians selected two statistically valid random samples of clients who had paid claims, including one through Superior and one through Amerigroup for ground emergency ambulance services. Additionally, OIG Audit selected two risk-based, non-statistical samples to test (a) transports without corresponding medical claims and (b) outlier mileage claims.

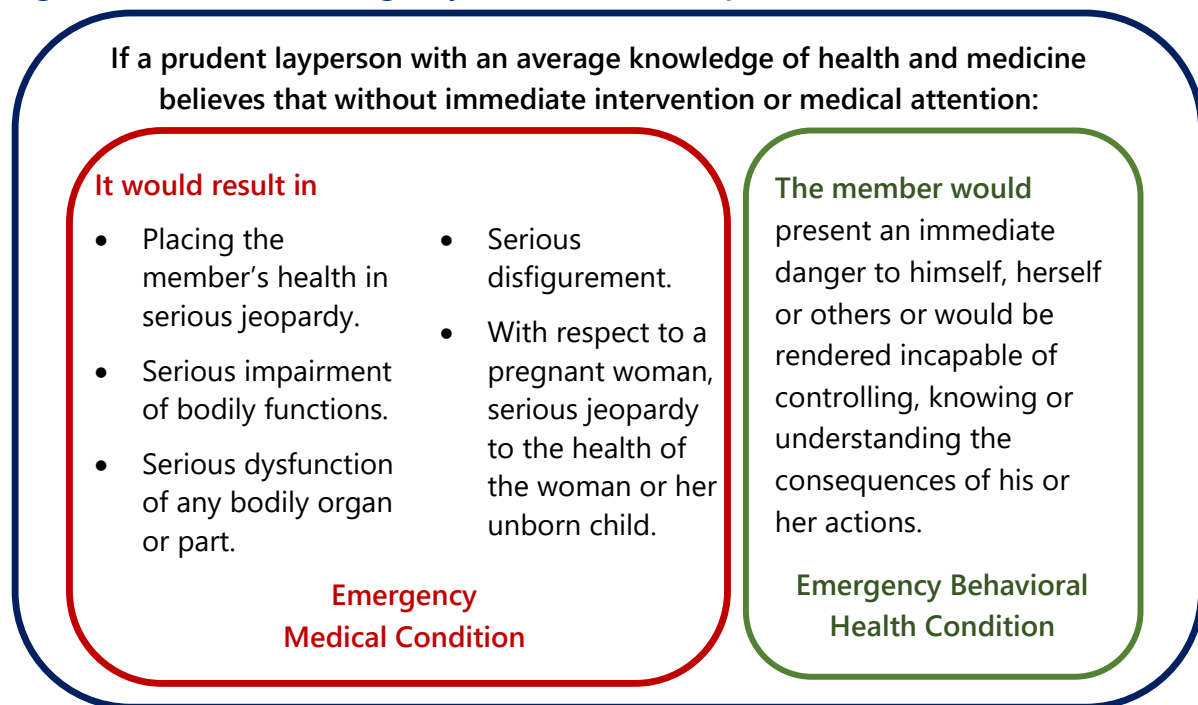
OIG Audit presented preliminary audit results, issues, and recommendations to AMR in a draft report dated August 2, 2022. AMR agreed with the audit recommendations and asserted corrective actions had already been implemented or would be implemented by September 2022. AMR's management responses are included in the report following each recommendation. OIG Audit thanks management and staff at AMR for their cooperation and assistance during this audit.

## Background

Medicaid covers emergency ambulance services to members having an emergency medical condition or an emergency behavioral health condition.

Figure 1 details criteria for those two conditions.

**Figure 1: Criteria for Emergency Ambulance Transport**






Source: Superior and Amerigroup Provider Handbooks

AMR provides ground medical transportation, including both emergency and non-emergency ambulance services, for patients who have Texas Medicaid coverage. AMR's billing contractor handles medical coding and sends claims to MCOs for payment on behalf of AMR.

Figure 2 details the responsibilities of the MCOs, AMR, and the billing contractor.<sup>1</sup>

**Figure 2: Roles in AMR's Billing Process**

 MCO	Covers authorized services for its members, including ambulance services.
 AMR	<ul style="list-style-type: none"><li>• Receives the call</li><li>• Dispatches the crew and provides services</li><li>• Provides trip details to billing contractor</li></ul>
 Billing contractor	Provides end-to-end revenue cycle management for all AMR ground transports including: <ul style="list-style-type: none"><li>• Billing</li><li>• Medical diagnosis coding</li><li>• Ambulance or medical transportation procedure coding</li><li>• Accounts receivable management</li></ul>

Source: OIG Audit

During the audit scope, AMR received \$13,791,149 for ground emergency ambulance claims processed through Texas Medicaid.<sup>2</sup> This includes fee-for-service payments directly from the Texas Health and Human Services Commission (HHSC) of \$811,307, as well as payments from 18 MCOs of \$12,979,842. For purposes of this audit, auditors examined payments for ground emergency ambulance claims from two selected MCOs (Superior and Amerigroup) totaling \$6,364,244.<sup>3</sup>

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<sup>1</sup> This audit did not evaluate controls in place at the billing contractor.

<sup>2</sup> Fee-for-service and encounter data were pulled from the Texas Medicaid Administrative System Oracle database. The database is maintained by the Texas Medicaid and Healthcare Partnership (TMHP) on behalf of the Texas Health and Human Services Commission.

<sup>3</sup> Based on paid claims data received from each of the two MCOs.



## **Auditing Standards**

### **Generally Accepted Government Auditing Standards**

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.

# Detailed Audit Results

For the sample of 120 ground emergency ambulance claims tested, AMR provided ambulance services, maintained records of clients and transports, and ensured it could support that its contractor billed MCOs for correct level of service. The following sections of this report provide additional detail about the instances of noncompliance identified by OIG Audit. OIG Audit communicated other less significant findings to AMR in a separate written communication.

## Chapter 1: AMR Billed Claims with Incorrect Mileage

AMR billed for more miles than traveled for two ground emergency ambulance trips tested. The distance between the pickup and destination facilities did not reasonably match the number of miles billed. Specifically, AMR:

- Billed mileage as 34 miles instead of 13 miles for one of 120 randomly selected claims tested (one percent), resulting in an overpayment of \$98.91.
- Billed mileage as 247 miles instead of 24.7 miles for one of eight risk-based sample claims tested (13 percent), resulting in an overpayment of \$1,045.62.

For these two trips, AMR's medical crew entered the incorrect number of miles into the electronic patient record. This resulted in AMR's billing contractor billing Superior for the incorrect mileage for those two ground emergency ambulance transports.

These incorrectly submitted claims resulted in an overpayment of \$1,144.53.<sup>4</sup>

### Recommendation

AMR should:

- Repay \$1,144.53 to the state of Texas.
- Implement a process to verify mileage entered by the medical crew reasonably matches the distance between the pickup and destination facilities.

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<sup>4</sup> 1 Tex. Admin. Code § 371.1653 (May 1, 2016).

## Management Response

AMR has a current system of procedures and controls in place related to billing services provided by its third party billing contractor. AMR routinely evaluates, updates, and modifies that system as part of its standard compliance and oversight practices. The results of Texas OIG's audit demonstrate that AMR's current system is effective. However, like all compliance systems, AMR's is subject to process improvements.

### Action Plan

In collaboration with the audit recommendations, AMR will make modifications to the existing training it currently provides to its medical crews on mileage documentation procedures and the utilization of enhanced electronic patient care report mileage tools. AMR is also working with its billing contractor to facilitate updates to the contractor's current procedures relating to identifying and validating possible high mileage trips. Additionally, AMR will add a high mileage review to its routine audit schedule.

### Responsible Manager

- AMR Regional President
- AMR Compliance Director
- AMR's billing contractor

### Target Implementation Date

AMR Texas Operations is preparing to deploy training modules to medical crew members. These training modules will be implemented over time. AMR Texas Operations will implement high mileage reviews into its audit schedule beginning in the Third Quarter [July through September] of 2022.

## Chapter 2: AMR Submitted Claims with Incorrect Patient Data

AMR billed Medicaid for the incorrect patient for 14 transports totaling \$4,220.54.

OIG Fraud Analytics and Data Operations identified 193 ground emergency ambulance claims in the audit scope without a corresponding medical claim at a hospital or other facility. For all 193 claims, AMR provided patient care reports that serve as AMR’s record of the ground emergency ambulance transport. These reports included information such as patient name and date of birth, name and address of the receiving facility, and a narrative describing the reason for the ambulance transport and services provided.

However, for 14 of these claims (7 percent), the person billed did not match the patient listed in the patient care reports. Therefore, the person billed for the ambulance services did not receive those services. AMR and its billing contractor mistakenly billed for members’ relatives, members with similar names, or members with the same or similar birth dates as the patients. These claims are detailed in Table 1.

**Table 1: Claims Billed for Incorrect Patient**

Error	Number of Claims	Claims Total
Incorrectly billed for a relative of the member	3	\$ 965.20
Billed incorrect patient with similar name and similar date of birth	3	1,001.10
Billed incorrect patient with similar name, but different date of birth	5	1,388.48
Billed incorrect patient with same date of birth	3	865.76
<b>Total</b>	<b>14</b>	<b>\$4,220.54</b>

Source: OIG Audit

These claims resulted in an overpayment of \$4,220.54.<sup>5s</sup>

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<sup>5</sup> 1 Tex. Admin. Code § 371.1653 (May 1, 2016).

## Recommendation 2

AMR should:

- Repay \$4,220.54 to the state of Texas.
- Have a process to verify patient information prior to submitting the information to its billing contractor for claims submission.

### Management Response

AMR has worked consistently with its billing contractor, and will continue to do so, in efforts to ensure that the contractor's billing services are performed appropriately. As part of the continued implementation and enforcement of its compliance systems, AMR will continue this practice and, in furtherance of its compliance objectives, will seek to have its billing contractor implement the actions specified below.

#### Action Plan

AMR's billing contractor has modified its internal processes to address this issue. These modifications include making updates to the contractor's internal system tracking relevant patient demographics and other characteristics that are believed to have contributed to the identified billing oversights. The billing contractor also updated its existing written protocols for users to proactively address future issues by educating users on certain data entry metrics. Finally, the contractor also adjusted its insurance discovery process to direct users towards high confidence results.

#### Responsible Manager

- AMR VP Revenue Cycle Management
- AMR Compliance Director
- AMR's third party billing contractor

#### Implementation Date

AMR's billing contractor has advised AMR that the foregoing system enhancements were implemented by May 2022.

## Appendix A: Objective, Scope, and Criteria

### Objective and Scope

The audit objective was to determine whether AMR ensured its contractor billed claims to Superior and Amerigroup in accordance with applicable statutes, rules, and procedures in the managed care environment.

The scope of the audit scope includes ground emergency ambulance claims for the period from September 1, 2019, through August 31, 2021.

### Criteria

OIG Audit used the following criteria to evaluate the information provided:

- 1 Tex. Admin. Code Chapters 157 (2017), 353 (2021), and 371 (2016)
- Texas Medicaid Provider Procedures Manual, Vol. 1, § 1 (2019 through 2021)
- Texas Medicaid Provider Procedures Manual, Vol. 2, § 2.2 "Ambulance Services Handbook" (2019 through 2021)
- Texas Medicaid and Healthcare Partnership (TMHP) Fee Schedule (2019 through 2021)
- Amerigroup Health Plan Provider Manual (2019 through 2021)
- Superior HealthPlan Provider Manual (2019 through 2021)
- Services and Management Contract between Centrex Revenue Solutions, LLC, doing business as Integra Connect Revenue Cycle Solutions and American Medical Response, Inc. (2014 through 2021)

## Appendix B: Methodology and Data Reliability

OIG Audit conducted fieldwork during the period of June 2022 through July 2022. To accomplish its audit objective, OIG Audit conducted interviews with responsible AMR and selected MCO staff, and reviewed supporting documentation maintained by AMR.

In addition, OIG Audit:

- Evaluated whether services in a sample of paid claims were supported by patient care records. Auditors evaluated (a) existence of a patient care record that matched the claims data; (b) destination facility address and services provided; and (c) support for services billed.
- Analyzed the eight highest-mileage claims during the audit scope to (a) recalculate mileage and (b) determine whether the receiving facility appeared to support the necessary treatment based on information in AMR's medical records.
- Reviewed AMR's system of internal controls, including components of internal control,<sup>6</sup> within the context of the audit objectives.

### Sampling Methodology

OIG statisticians selected statistically valid random samples of clients who had paid claims through Superior and Amerigroup for ground emergency ambulance services. OIG obtained separate claims populations for the selected MCO's as appropriate, and selected a statistically valid random sample of 60 claims from each population.

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<sup>6</sup> For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed July. 14, 2022).



The population sizes for each MCO were:

- Amerigroup: 10,170 claims totaling approximately \$3.30 million
- Superior: 9,178 claims totaling approximately \$3.06 million

Those samples were designed to be representative of the population, and therefore, it is appropriate to project the test results to the population. However, OIG did not project the results to the population and instead identified overpayments of actual claims paid in error.

Additionally, OIG Audit selected risk-based, non-statistical samples of (a) ground emergency ambulance transports without a corresponding medical claim at a receiving facility the day before, the day of, or the day after the ambulance transport, and (b) mileage outlier claims with the highest mileage during the audit scope. The sample items were generally not representative of the populations for the entities; therefore, it would not be appropriate to project the test results to those populations.

### **Data Reliability**

OIG assessed the reliability of paid claims data by (a) reconciling the data to an independent source; (b) reviewing the data for mathematical accuracy; and (c) tracing a statistically valid random sample of data to source documents. Auditors determined that the data was sufficiently reliable for the purposes of this audit.

## Appendix C: Related Reports

- Acadian Ambulance Services, [AUD-21-015](#), July 28, 2021
- Audit of Cook Children’s Teddy Bear Transport: A Texas Medicaid Air Ambulance Provider, [AUD-19-012](#), February 26, 2019
- Audit of HALO-Flight: A Texas Air Ambulance Provider, [AUD-18-004](#), November 15, 2017

## Appendix D: Report Team and Distribution

### Report Team

OIG staff members who contributed to this audit report include:

- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
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- Julia Youssefnia, CPA, Audit Project Manager
- Saul Guerrero, CFE, Senior Auditor
- Annalisa Adams, Associate Auditor
- Aleah Mays-Williams, Staff Auditor
- Jennifer Wu, CISA, Audit Project Manager
- Leia Villaret, Quality Assurance Reviewer
- Karen Mullen, Quality Assurance Reviewer
- Mo Brantley, Senior Audit Operations Analyst

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## Appendix E: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Audrey O'Neill, Principal Deputy Inspector General, Chief of Audit and Inspections
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
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### To Contact OIG

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