DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Singleton	1-11-10

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 001298	[ ] Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR _____ cc: Ms. Forkner, Deps, CMS file Cleared 1/15/10, letter attached.	[X] Prepare reply for appropriate signature DATE DUE 2/5/10 [ ] FOIA DATE DUE _____ [X] Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Medicaid Integrity Group

CERTIFIED MAIL –RETURN RECEIPT REQUESTED

January 6, 2010

Emma Forkner, Director
Department of Health & Human Services
P.O. Box 8206, 1801 Main Street
Columbia, SC 29201-8206

Dear Ms. Forkner:

Enclosed is the final audit report for Doctors Hospital of Augusta, State Medicaid provider #356425. The audit was conducted by Booz Allen Hamilton on behalf of the Centers for Medicare & Medicaid Services (CMS), and concerned Medicaid claims paid to Doctors Hospital of Augusta. The audit encompassed the Medicaid claims paid during the period of January 1, 2004 through September 19, 2007.

South Carolina is responsible for initiating the state recovery process and furnishing the final audit report to the provider. CMS will not send a copy of the final audit report to the provider. The final audit report identifies $2,046.15 total computable, ($1,422.89 FFP) in unallowable claims paid to Doctors Hospital of Augusta. In accordance with Section 1903(d)(2)(C) of the Social Security Act, and 42 CFR 433.316(a) & (e), South Carolina has 60 days from the date of this letter to recover or attempt to recover the overpayment from the provider before the Federal share must be refunded to CMS. Please report on Line 9C1, *Recoveries: Fraud, Waste and Abuse Efforts*, in the amount of $2,046.15 total computable ($1,422.89) on the next regular quarterly submission of Form CMS-64 which occurs after the last day of the 60 day period mentioned above. This amount should first be entered on feeder Form CMS 64.9C1, Line 5, *CMS Medicaid Integrity Contractors (MICs)*. Please advise us of your intentions regarding the return of the Federal share within 30 calendar days from the date you receive this letter so that we may initiate disallowance proceedings if necessary.

If you have any questions regarding this final audit report, please contact the Medicaid Integrity Group in writing, or please contact Peter Clark at (410) 786-1177, Peter.Clark@cms.hhs.gov.

Sincerely,

Angela Brice-Smith
Acting Director

cc: Kathleen C. Snider, Bureau Chief, SC Department of Health & Human Services
Ann Todd, Booz Allen Hamilton
Davida Kimble, CMS Region IV, Acting Financial Management Branch Manager

7500 Security Boulevard
Mailstop: B2-15-24
Baltimore, MD 21244

Booz Allen Hamilton
One Preserve Parkway, Suite 200
Rockville, MD 20852

Final Audit Report of

Doctors Hospital of Augusta

For the Period
January 1, 2004 through September 19, 2007

Date Conducted
January 21, 2009 to May 12, 2009

Date Issued
November 16, 2009

Report Number
B-19846-0003-0010-0500025

I. INTRODUCTION

This report is issued as a result of an audit conducted by the staff of Booz Allen Hamilton (Booz Allen), contracted by Centers for Medicare & Medicaid Services (CMS), under the authority of the Medicaid Integrity Program, established by Section 1936 of the Social Security Act. The purpose of this audit was to determine Provider compliance with applicable Federal and State laws and regulations relative to paid claims for Medicaid services provided under South Carolina's Department of Health and Human Services.

A. BACKGROUND

Booz Allen has been contracted by CMS to audit Providers participating in the South Carolina Medicaid program. These audits are conducted in accordance with the procedures specified in South Carolina's Medicaid Services Coverage Limitations and Government Auditing Standards as issued by the United States Government Accountability Office. Audits under this program also utilize guidelines established by CMS.

B. PROGRAM OBJECTIVES

The Medicaid Integrity Contractor (MIC) Provider audits have the following objectives:

- To determine if services billed and paid under the State Medicaid program were provided
- To determine compliance with State and Federal Medicaid laws and regulations
- To identify Provider billing and/or payment irregularities within the State's Medicaid program.

C. AUDIT STAFF

The following staff conducted this audit:

- Lisa Linton, Senior Audit Lead
- Carol McGinty, Medical Coding Auditor
- Renea Olson, Audit Lead.

II. AUDIT PROFILE

A. PROVIDER PROFILE

Doctors Hospital of Augusta
3651 Wheeler Road
Augusta, GA 30909-6521

Provider Number: 356425

Provider Type: Acute Care Hospital

Medicaid Reimbursement Methodology: All inclusive per diem

Estimated Annual Medicaid Reimbursement: $4,684,790.00[1]

B. AUDIT SCOPE

Audit Type:	This Provider was selected for a focused, limited scope audit.
Desk Review/ Field Audit:	This audit was conducted as a 100% desk review.
Audit Issue(s):	The scope of this audit was limited to Audit Issue 3001: Inpatient Services After Death.
Audit Purpose:	The purpose of this audit was to review payments made for services occurring after the patient's date of death. The audit was limited to one claim from the CMS MIG Data Engine and covered the dates of service between May 12, 2007 and July 31, 2007.
Regulatory Citations:	US Code Title 31, Subtitle III, Chapter 37, Subchapter III, §3729(c). South Carolina Code of Laws, Health Title 44, Chapter 6 and Public Records Title 30, as well as the South Carolina Medicaid Hospital Services Provider Manual, Section 2 Policies and Procedures, Admissions/Discharge criteria as they relate to payments for inpatient services rendered after date of death.

[1] Estimated Annual Medicaid Reimbursement is based on 2008 estimates per the Provider Intake Questionnaire.

The audit was not intended to discover all possible errors in billing or record keeping. Any omission of other errors from this report does not mean such practice is acceptable. Because of the limited nature of this review, no inferences as to the overall level of Provider performance should be drawn solely from this report.

Achieving the objectives of the audit did not require the review of Doctors Hospital of Augusta overall internal control structure. Accordingly, the auditors limited the internal control review to the controls related to any overpayments.

C. AUDIT PROCESS

The Provider received a letter requesting documentation to support the claim in question. An entrance conference was conducted to collect information about the Provider and inform the Provider about the audit objectives, process, and data request. At a later date, the Provider sent supporting patient account records for the claim identified above. Auditors examined remittance advice, medical records, death certificates, and patient financial ledger documents to:

- Validate dates of service based on admit and discharge summary
- Verify date of death based on the death certificate and medical records.

The process followed by the auditor was to review the medical record to identify evidence of death, such as death certificate, notations of organ donation, and references such as "patient expired". The medical record included the death certificate documenting the date of death as July 30, 2007.

After completing our analysis, an exit conference was held with the Provider representatives. The purpose of the exit conference was to reiterate to the Provider the audit objectives and the reporting process. The conference did not provide them with a detailed analysis, methodology, or findings from the audit. The Provider was given two days to submit additional documentation if they believed they had not done so in response to the initial records request. No additional information was submitted by the Provider.

III. MONETARY FINDINGS

A. ANALYSIS OF FINDINGS

After a review of the Provider's bill, payments, credits, charges from the Medicaid remittance advice, patient financial ledger, and CMS-provided claims data, the auditors identified an overpayment. The remittance advice and the MIG Data Engine were relied upon as primary data sources for this audit. Auditors relied solely on information supplied by CMS and the Provider and did not have access to State of South Carolina's systems or data.

For the claim identified by CMS as a suspected overpayment, auditors found documentation that overpayment was not recovered by Medicaid. Based on the documentation supplied by the Provider, this claim was shown to have been billed by the Provider and reimbursed by Medicaid for one additional day of inpatient services after date of death.

This charge is unallowable as described in the South Carolina's Hospital Services Provider Manual, 4/1/05 edition, Section 2, Policies and Procedures, Admissions/Discharge Criteria: "A person is considered discharged when formally released from an acute care facility. A patient is also considered discharged (3) when the patient dies."

The following summarizes our findings:

- Overpayment Reason: Inpatient Services After Death (Audit Issue 3001)
- Total Claims Reviewed: 1
- Claims with Overpayments: 1
- % of Claims with Overpayments: 100%.

Additional detail supporting overpayments identified during the audit can be found in Appendix A of this report.

B. OVERPAYMENT DETERMINATION

A review of the inpatient discharge summary and death certificate identified patient's date of death as July 30, 2007. The bill submitted (UB04) indicated discharge date of July 31, 2007. The correct number of covered days for inpatient services is 79 while the Provider billed for 80 days. The remittance advice documented payment for services through July 31, 2007. A review of the South Carolina Hospital Services Provider Manual showed that this DRG is reimbursed on a per diem basis with a threshold limitation. The Provider indicated that the threshold days for DRG 541 were 28 days. The Provider having rendered services 51 days in excess of the 28-day threshold was reimbursed under South Carolina's schedule Type Q. The per diem for days over threshold was paid at 60 percent of the standard rate for DRG 541. The actual days of inpatient stay past threshold are 51. However, the Provider billed 52 days of service after the threshold. Based on this review, the Provider billed in excess according to South Carolina's Hospital Services Provider Manual, 4/1/05 edition, Section 2, Policies and Procedures, Admissions/Discharge Criteria and US Code Title 31, Subtitle III, Chapter 37, Subchapter III, §3729(c).

IV. SUMMARY OF OVERPAYMENTS

The identified overpayment for the discrepant claim represents the amount of overpayment for the claim reviewed. The total overpayment is $2,046.15. The total amount due to South Carolina Department of Health and Human Services is $2,046.15. See Appendix A for detailed information.

V. RECOMMENDATIONS

Based on the finding cited in this audit report Doctors Hospital of Augusta is directed to:

1. Pursuant to S.C. Code Regulation 126-401(A)(2) remit your overpayment check in the amount of $2,046.15. Payment is to be made to the South Carolina Department of Health and Human Services.

2. Comply with all Federal and State, laws and regulations and billing instructions provided under the Medicaid program. Pursuant to S.C. Code Regulation 126-401 continued violation(s) may result in the termination or suspension of your eligibility to provide services to Medicaid clients.

APPENDIX A

Findings for Each Sample Item

Sample #	Dates of Service Billed	Covered Dates of Service	Paid Date	Amount Paid	Corrected Amount 79 covered days (28 days @ 3,410.26 + 51 days @ $2,046.16)	Recoupment Amount	Error Code
Doctors-SC-3001-1	5/12/07 – 7/31/07	5/12/07 – 7/30/07	8/17/07	$201,887.39	$199,841.24	$2,046.15	NCS

Log #000298

South Carolina Department of Health & Human Services

Emma Forkner • Director
Mark Sanford• Governor

January 15, 2010

CERTIFIED MAIL

Doctors Hospital of Augusta
Karen Wegmann, Revenue Integrity Manager
3651 Wheeler Road
Augusta, GA 30909

Dear Ms. Wegmann,

Enclosed is the final audit report for selected Medicaid claims paid to Doctors Hospital of Augusta. In accordance with the Deficit Reduction Act (DRA) of 2005, the Centers for Medicaid & Medicare Services (CMS) is obligated to engage audit contractors to review claims for payment for items or services under a State plan, and identify overpayments to individuals or entities receiving Federal funds. This audit has been conducted by Booz Allen Hamilton, the Federal audit contractor, in conjunction with the audit protocol established by CMS. Upon receipt of a final audit report, the South Carolina Department of Health and Human Services (SCDHHS) is responsible for recouping the identified overpayment amount from the provider and repaying the Federal share to CMS pursuant to 42 CFR 433.316(a) and (e).

It is our understanding that you have had the opportunity to review the initial draft report. The final report identifies an overpayment of $2,046.15 associated with one (1) claim. The overpayment was caused by billing an incorrect number of days for a per diem hospital payment, which resulted in a payment for one day of services after the patient had died.

Doctors Hospital of Augusta is responsible for refunding the $2,046.15 overpayment to SCDHHS. If you believe that Booz Allen Hamilton is in error of its findings, you have the right to an evidentiary hearing with the SCDHHS Division of Appeals and Hearings in accordance with the South Carolina Code of Laws R. 126-150. Within thirty (30) calendar days of receipt of this letter, your written request, a copy of the audit report, the finding(s) being appealed, and a copy of this letter should be sent to the Director, Division of Appeals and Hearings, Department of Health and Human Services, Post Office Box 8206, Columbia, South Carolina 29202-8206. Questions related to the appeal may be directed to Vastine Crouch at (803) 898-2600 or 800-763-9087.

You will be invoiced for payment within 30 days. The invoice will give instructions on how repayment must be made. You may contact the Department of Accounting Operations to make payment arrangements, if necessary. The contact information for the Department of Accounting Operations will be on the invoice.

Bureau of Compliance and Performance Review
P.O. Box 100210 • Columbia, South Carolina 29202-3210
(803) 898-2640 • Fax (803) 255-8224

Please do not hesitate to call me at (803) 898-1050 if you have any questions about the audit or repayment process.

Sincerely,

Kathleen C. Snider, Bureau Chief
Bureau of Compliance and Performance Review

Cc: Deirdra T. Singleton, General Counsel
Zenovia Vaughn, Director, Division of Hospitals
Davida Kimble, CMS Region IV, Acting Financial Management Branch Director

Enclosure