

2017-06 Medical Supply Stores Motorized Wheelchairs



Report Number 2017-06

October 1, 2018



Utah Office of
Inspector General

Gene Cottrell
Inspector General

July 18, 2018

To: Utah Department of Health

Please see the attached report, **Medical Supply Stores-Motorized Wheelchairs**, Report 2017-06. An Executive Summary is included at the inception of this report. The objectives and scope of the audit are explained on page 2 of this report.

Sincerely,

A handwritten signature in blue ink that reads "Gene Cottrell". A blue arrow points from the signature to the word "Sincerely," above it.

Gene Cottrell
Inspector General
Utah Office of Inspector General

cc: Joseph Miner, Nathan Checketts, Emma Chacon, John Curless, Gregory Trollan, Lee Johnson, Kevin Bagley, Tonya Hales, Aaron Eliason, Melanie Henderson

TABLE OF CONTENTS

Executive Summary	1
Introduction.....	2
Background.....	2
Objectives and Scope	2
Methodology.....	3
Finding 1: Medicaid does not monitor the required two hours instruction and use in a motorized wheelchair.....	5
Recommendations	5
Finding 2: Medicaid forms do not reinforce policy	6
Recommendations	7
Finding 3: Repairs and modifications are not clearly differentiated	9
Recommendations	9
Finding 4: There is no policy in place to prevent solicitation.....	10
Recommendations	11
Finding 5: Some providers are requesting more accessories compared to other providers.....	12
Recommendations	12
Appendix A: Wheelchair Final Evaluation Form.....	13
Appendix B: Wheelchair Training Checklist.....	14
Glossary of Terms	15
References	16
Management Response.....	17
Evaluation of Management Response.....	18

Contact and Staff Acknowledgement 19

EXECUTIVE SUMMARY

The Utah Office of Inspector General (UOIG) reviews Medicaid fraud trends in the nation as well as in Utah. Recently there have been numerous cases of medical supply fraud. Therefore, the UOIG initiated an audit of medical supply fraud, waste and abuse in Utah. We narrowed the scope of the audit of medical supplies to motorized wheelchairs. The audit included wheelchair providers who made a Medicaid claim for motorized wheelchairs from January 2016 through May 2017. The Special Investigations and Inspections Unit (SIIU) of the Office of Inspector General also received a referral of a suspected fraud case, for one wheelchair provider, so we added an additional sample of claims from January 2013 through December 2015 to the audit to address that referral.

Audit Objectives:

To determine:

- If policy and procedures for obtaining a motorized wheelchair are adequate.
- If Medicaid's requirements are met for billing a motorized wheelchair.
- Are Medicaid patients/recipients receiving the motorized wheelchair according to Medicaid policy?
- If medical supply stores are compliant with requirements to be a Medicaid provider.

The fourth objective was to determine if medical supply stores were compliant with requirements to be a Medicaid provider. The Utah Medicaid Medical Supplies and DME Provider Manual (January 2017) gives provider participation requirements. Providers must have a current business license, a tax I.D. number, proof of Medicare Certification, a stationary physical place of business and an inventory. All wheelchair providers with wheelchair claims in the audit scope period met the documentation requirements for wheelchair provider participation.

Audit Findings:

- Medicaid does not monitor the required two hours instruction and use in a motorized wheelchair.
- Medicaid forms do not reinforce policy.
- There is no differentiation between a repair and a modification in Medicaid policy.
- There is no policy in place to prevent solicitation.
- Some wheelchair providers are requesting more accessories compared to other wheelchair providers.

INTRODUCTION

BACKGROUND

The Utah Office of Inspector General (UOIG) reviews Medicaid fraud trends in the nation as well as in Utah. Recently there have been numerous cases of medical supply fraud. Therefore, the UOIG initiated an audit of medical supply fraud, waste and abuse in Utah. We narrowed the scope of the audit of medical supplies to motorized wheelchairs. The audit included wheelchair providers who made a Medicaid claim for motorized wheelchairs from January 2016 through May 2017. The Special Investigations and Inspections Unit (SIU) of the Office of Inspector General also received a referral of a suspected fraud case, for one wheelchair provider, so we added an additional sample of claims from January 2013 through December 2015 to the audit to address that referral.

The Medicaid requirements for providing and receiving Durable Medical Equipment (DME) are in the August 2015 through January 2017 Utah Medicaid Medical Supplies and DME provider manuals, Section 1: General Information manual as well as the Code of Federal Regulations 42 (CFR) 440.70, Utah Final Rule 414-70 and the Utah Medicaid website.

These resources above provide controls that help minimize fraud, waste and abuse of Medicaid funds and help ensure patient safety and quality of care. If these controls are not followed, they may create risk to the Medicaid program or to the recipient.

OBJECTIVES AND SCOPE

Audit Objectives:

To determine:

- If policy and procedures for obtaining a motorized wheelchair are adequate.
- If Medicaid's requirements are met for billing a motorized wheelchair.
- Are Medicaid patients/recipients receiving the motorized wheelchair according to Medicaid policy?
- If medical supply stores are compliant with requirements to be a Medicaid provider.

The fourth objective was to determine if medical supply stores were compliant with requirements to be a Medicaid provider. The Utah Medicaid Medical Supplies and DME Provider Manual (January 2017) gives provider participation requirements. Providers must have a current business license, a tax I.D. number, proof of Medicare Certification, a stationary physical place of business and an inventory. All wheelchair providers with wheelchair claims in the audit scope period met the documentation requirements for wheelchair provider participation.

Audit Scope:

Motorized wheelchair claims for January 2016 through May 2017. Additional claims for January 2013 through December 2015 for one medical supply vendor suspected of fraud.

METHODOLOGY

Reviewed federal and state Medicaid requirements for DME. Utah Medicaid Medical Supplies and DME Provider Manual (January 2017) states:

- “A qualified practitioner, medical supplier, physical therapist/occupational therapist (PT/OT), the long-term care facility (if applicable) and Medicaid prior authorization staff must be involved to obtain a motorized wheelchair”(p.18). “Motorized wheelchairs require documentation stating the member is able to learn the skills needed to operate the chair safely. All members must have had a minimum of two hours instruction and use in a motorized wheelchair” (p.18).
- “The Motorized or Customized Final Evaluation Form must certify that the wheelchair fits properly, any attachments required are present and appropriate, and the member has been trained in the use of the equipment. When those conditions are met, the PT/OT and the member or their authorized representative sign the Motorized or Customized Wheelchair Final Evaluation Form and return it to the DME provider” (p.17).
- The DME item must be medically necessary and does not include supplies or DME used primarily for hygiene, education, exercise convenience, cosmetic purposes, or comfort. The item is provided to the member pursuant to a signed and dated order from an enrolled, qualified practitioner, which includes the following: patient name, date of birth, diagnoses, the DME item, instructions for use, duration of use and the order must be written and signed within the past 12 months. (p.5).
- “Replacement part(s) are covered no more than once a year” (p.17). Prior authorization (PA) is required for modifications and repairs and “Medicaid will cover repairs only once and are expected to last at least one year” (p.17).
- “DME purchased under the Medicaid program must be new, unused equipment” (p.12). Specifically for wheelchairs, members “must not currently own a medically appropriate type of chair that has been received within the previous five-year period” (p.16). “All purchased wheelchairs, accessories, attachments, replacement supplies and repairs require PA and evidence of medical necessity” (p.16).

42 CFR 440.70 (2016) states physicians must document the occurrence of a face-to-face encounter (p.2).

Extracted and reviewed motorized wheelchair claims for January 2016 through May 2017 from the data warehouse. Extracted and reviewed an additional random sample of 14 claims from January 2013 through December 2015 for one specific provider referred to the UOIG as a potential fraud case.

Requested required business license, tax id number and Medicare certification from providers to see if they met requirements to be a provider of DME. Ensured they had a stationary place of business but did not check to see if they had an inventory on hand because these are custom wheelchairs that would not have such inventory.

Inquired of PA department what the PA process was and what the required elements of obtaining a PA for motorized wheelchairs were.

Created a survey that we sent to a focus group of 68 patients. Reviewed patients' medical records to determine adherence to Medicaid procedures. Received 35 (51%) survey responses.

FINDING 1**Medicaid does not monitor the required two hours instruction and use in a motorized wheelchair.**

“Motorized wheelchairs require documentation stating the member is able to learn the skills needed to operate the chair safely” (Utah Medicaid Medical Supplies and DME provider manual, 2017, p.18). All members who receive motorized wheelchairs must have a minimum of two hours instruction and use in a motorized wheelchair observed by a PT/OT. There is no oversight of the required two hours instruction and use; therefore, no assurance patients are able to operate the wheelchair safely.

According to our survey, 44% of patients reported that they had not received the two hours of training in a wheelchair.

The Wheelchair Training Checklist and the Wheelchair Final Evaluation Form document training. The forms do not specify the length of training. The patient receives training initially in a trial motorized wheelchair, documented on the Wheelchair Training Checklist. The training in a chair and the Wheelchair Training Checklist is required for the PA. The Wheelchair Final Evaluation Form, which also indicates training on the approved chair received, does not specify the length of time needed to train in the chair. Policy is not clear if training is to be two hours total, in both the trial wheelchair and the final wheelchair, or two hours training with just the final motorized wheelchair received.

Medicaid does not receive the Wheelchair Final Evaluation form for monitoring even though it is a required form according to policy and provided on the Medicaid website. The Wheelchair Final Evaluation form documents if training was completed thus ensuring the patient can operate the chair safely. Medicaid does not see this form; it stays on file with the wheelchair provider.

Recommendations

- 1.1 We recommend requiring the wheelchair provider return the Wheelchair Final Evaluation Form to Medicaid before payment of the claim to ensure the safety of the recipient and others is documented upfront and in a timely manner.

- 1.2 We recommend Medicaid policy define if two full hours of training is needed for recipients who have already been using a wheelchair and are familiar with how to operate a motorized wheelchair. Document on the Wheelchair Final Evaluation Form any deviation from Medicaid’s standardized two-hour training.

There are several forms required to approve a motorized wheelchair. Utah Medicaid requires the use of the Wheelchair Final Evaluation Form and Wheelchair Training Checklist. Those forms are standardized. Prescriptions are required but unique to each physician and therefore difficult to standardize. The current wheelchair seating evaluation, which most providers use to establish medical necessity, is not a Medicaid form and is not a standardized required form.

We outline each form and its purpose below:

Final Evaluation Form (Appendix A)

This form is required and asks three important questions (listed below). There is no monitoring or oversight of this form. Although Utah Medicaid requires this form, it is not required that this form be returned to Medicaid prior to payment for a wheelchair. It is only required to be on file with the wheelchair provider. Therefore, Medicaid cannot verify that the wheelchair properly fit the patient or that the chair received was the chair ordered. Additionally, without the form returned, Medicaid cannot verify the training occurred or that the patient has demonstrated their capability to use the chair. Without these three important elements, patients could not have the correct chair and may be at risk of injury to themselves and others. From our survey and investigations there are two patients that reported they are no longer using the chair Medicaid provided, and two could not safely operate the chair.

Question #1- “Does the wheelchair properly fit the patient?”

Question #2- “Has the client/caregiver been trained on how to properly use this chair and demonstrated their capability?”

This form does not state the length of time spent on training in the final chair and what type of training is required.

SIIU has a current investigation where a patient requested a manual chair because they were not able to use the power chair they received less than five years ago. Current Medicaid policy does not allow a new chair if they already have one that is less than five years old. The patient is not using the power chair. The claim from the patient’s caregiver is that the provider dropped off the chair and the patient had little training and no PT/OT was there to observe that training. The medical records received from the provider for the power chair did not have the final evaluation form. Without this form, the provider cannot prove completing the training.

Question #3- Patient and PT/OT verify, “The frame, attachments, and components are present as approved on the PA”. The patient and PT/OT do not know what was on the PA so there is no way to check for everything that PA approved on the chair.

Our review of 68 medical records found 20 of the files were missing the final evaluation form. The cost of those motorized wheelchairs totals approximately \$353,000. We received eight survey responses from those recipients that self-reported they were still using the chair and received training. This leaves 12 individuals that could be in the wrong chair, not using the chair or more importantly not operating the chair safely; a possible waste of approximately \$212,000. Requiring the Wheelchair Final Evaluation form before payment documents and ensures adherence to policy before the recipient uses the chair.

Wheelchair Training Checklist (Appendix B)

Currently Medicaid does not require signatures from the patient (or authorized representative), the therapist or the medical supply provider on this form. Review of medical records reveal seven records were missing this checklist and 41 records that did have the checklist had the printed names, not signatures. Utah Medicaid DME policy specifies the therapist will document this checklist, however, with no signatures and only X's or check marks, it is not clear who is observing training and documenting this form. Also according to medical records we reviewed, 23 records had this form dated before the date of the prescription; indicating training in a chair occurred before a physician saw the patient and wrote the prescription for the wheelchair.

Prescriptions

Prescriptions are required for a patient to obtain a motorized wheelchair, but are unique to each physician. Instruction of use and duration of use are required to be on the prescription. From the medical records reviewed, all 68 prescriptions were missing the required element of instruction of use and 61 prescriptions were missing duration of use. There were 50 prescriptions did not specify a face-to-face encounter. In addition, 32 prescriptions had dates after the seating evaluation, which could indicate a face-to-face occurred after the patient had seen the PT/OT or wheelchair provider, as is the case with the investigation by SIIU reported above. If a physician does not meet with the patient first then this could allow others to dictate medical necessity. In addition, Utah Medicaid policy is not clear if the prescription date, more importantly the face-to-face encounter, should occur first in obtaining a wheelchair.

Wheelchair Seating Evaluation

Medicaid does not have a standard form to certify medical necessity. The current form is from an outside source and used by most providers. The requested medical records revealed 32 of these forms are dated before the prescription indicating the physician did not see the patient and prescribe a chair first. Eleven forms had the doctor's signature and the other 57 did not.

Medicaid has indicated that they are currently working on revising some forms for motorized wheelchairs.

Recommendations

2.1 Final Evaluation Form – We recommend changing the wording on the form specifically to indicate that two hours of instruction and use occurred. Explain expectations of training and use in Medicaid policy to clarify what constitutes training and use.

We recommend PT/OT check off the codes of equipment received with the PA. Institute a checklist or train PT/OT to use the PA approval to check off all the components of the wheelchair received.

We recommend requiring the provider to return this form to Medicaid before payment to ensure the safety of the recipient and others be completed in a timely manner.

2.2 Wheelchair Training Checklist - We recommend policy state clearly when the face-to-face and prescription should occur. We recommend Medicaid policy reflect that a physician needs to see the patient before the training occurs.

We recommend the patient (or authorized representative) and the PT sign the form to verify the training occurred. Consider having each box initialed by the PT/OT rather than checked with an X or check mark.

We recommend this checklist accompany the Wheelchair Final Evaluation form to document the required two hours of instruction and use upon final delivery.

2.3 Prescriptions – We recommend creating a clear policy that specifies the prescription or face-to-face encounter is to be the first procedure in obtaining a motorized wheelchair. There should be no approval of the PA if the prescription is dated after the seating evaluation and training checklist.

We recommend that the required elements of instruction and duration of use be on the prescription or specify that for wheelchairs there is an exception for not prescribing instruction and duration of use.

2.4 Wheelchair Seating Evaluation – Again we recommend Medicaid policy make clear if the prescription and face-to-face is the first step in the process. PA should not approve the motorized wheelchair if this form is dated before the prescription was written and the face-to-face occurred.

The wheelchair provider is often involved in completing the seating evaluation because the PT/OT and physician do not necessarily know all of the codes of the pieces that are medically necessary. Because the physician dictates medical necessity, the physician should approve and sign the seating evaluation that they concur that all the pieces requested are medically necessary.

We recommend Medicaid create a standard form and require providers to use the form. The form should be on the Medicaid website. The date on this form should coincide or be signed after the date of the prescription in order for the PA to be approved.

FINDING 3**There is no differentiation between a repair and modification in Medicaid policy.**

In the January 2017 Medical Supplies and DME Provider Manual modifications and repairs are not differentiated or clearly defined. Medicaid will cover repairs only once and are expected to last at least one year. Modifications or upgrades are distinctly different from repairs. The regular maintenance of a wheelchair does not fall under the definition of a repair in Medicaid policy. A repair is the act or process of putting back in good condition (Merriam-Webster, 2018). Modification is the act or process of changing parts of something (Merriam-Webster, 2018). Modifications can be more costly because it is adding a new component to the wheelchair.

OIG received a referral from PA that there was a high repair request of a specific part that cost \$11,895 dollars. This particular repair requested a new part that was not previously on the chair and was reimbursable for \$6,918.96. Requesting a new part would make it a different, newer chair. Requests for chairs that are less than five years old have to go to the utilization review committee for approval or denial, as opposed to a repair that only requires PA. The chair had some parts repaired; however, that specific part request was not approved because it was determined to not be medically necessary.

Recommendations

3.1 We recommend defining, in policy, what constitutes a repair and a modification. We recommend repair and modification be distinguished apart from one another.

3.2 We recommend considering a maximum allowable amount for repairs.

3.3 We recommend modifications go through the utilization review committee if the chair is less than five years old.

3.4 We recommend review of patient clinic notes before approval of any chair or modification to ensure clinic notes match the claims of medical necessity indicated on the seating evaluation. We recommend this for findings four and five as well.

3.5 We recommend having an independent Medicaid consultant, who has appropriate experience, to conduct reviews of motorized wheelchair requests. We recommend this for findings four and five as well.

FINDING 4**There is no policy in place to prevent solicitation.**

42 CFR 440.70 states an individual must see a doctor face-to-face before obtaining DME. Utah Medicaid put the face-to-face requirement into place beginning July 2017.

UOIG received a referral from the PA department that a specific wheelchair provider was ordering multiple customized wheelchairs for one facility. The provider had actually emailed PA department letting them know they were going to be ordering multiple wheelchairs. The provider advised he was going to service facilities that had not received visits in some time. This case is a good example of a wheelchair provider initiating a motorized wheelchair claim before a physician has seen the patient and written a prescription.

An UOIG SIIU investigation of this provider found that the provider was filling out paperwork and taking it to the physician and PT/OT to sign. The provider had gone to the facility before obtaining a prescription for the patients. The provider submitted multiple authorizations for a number of nursing home residents to receive custom wheelchairs. Many of the patients were already successfully using regular wheelchairs prior to the order for a customized wheelchair.

The wheelchair provider documented need that met Medicaid criteria for a specialized wheelchair but the documentation was not consistent with the medical records reviewed. SIIU discovered:

- The physician exam submitted in the prior authorization did not occur.
- The assessment language was almost identical for all patients.
- The physical therapist had no relationship with the patient and documentation was signed without meeting the patient.
- The physicians signed authorization forms for the DME provider without verifying medical necessity for the items.
- The patient's medical record must contain sufficient documentation of the patient's medical condition to substantiate the necessity for the type and quantity of items ordered. The medical record did not contain this information.
- None of the preauthorization requests matched the patient's documented medical needs.

PA reported they also see wheelchair requests for a patient then shortly after receive another wheelchair request for the same patient from a different wheelchair provider. Both wheelchair requests state the specified chair was medically necessary yet are very different wheelchair requests.

Another referral from PA stated a wheelchair provider called the PA nurse staff and asked for a list of patients that have reached the five-year mark for their chair. This wheelchair

provider did not obtain the list from PA; however, a no solicitation policy would prohibit this practice.

Utah Medicaid does not currently have any policy requiring no direct solicitation by wheelchair providers. The wheelchair provider should not be initiating contact with a Medicaid patient for a wheelchair until the physician has seen the patient face-to-face and writes a prescription. As previously noted this is sometimes happening in the opposite order. When a wheelchair provider bypasses the physician's face-to-face visit the wheelchair provider is, in a sense, determining medical necessity for a new wheelchair. One patient from our survey reported that a wheelchair provider initially contacted them directly and the patients from the investigation were also contacted by the wheelchair provider before seeing a physician.

Recommendations

- 4.1 We recommend that Utah Medicaid adopt a no solicitation policy that prohibits a provider from initiating contact with a Medicaid patient before a prescription has been issued. A no solicitation policy for motorized wheelchairs would be reinforced by not authorizing a wheelchair if the seating evaluation and other documentation is dated before the prescription and face-to-face encounter.
- 4.2 Medicaid could consider adopting a bidding system where there are at least two bids, discouraging wheelchair providers from soliciting.
- 4.3 See recommendation 3.4 and 3.5

FINDING 5**Some wheelchair providers are requesting more accessories compared to other wheelchair providers.**

PA department observed one wheelchair provider was ordering more accessories for the same model wheelchair than other wheelchair providers were. We pulled data from the data warehouse for all wheelchair providers to compare how many accessories other wheelchair providers were requesting. We found that on average wheelchair providers are billing 9.57 accessories per recipient. The suspect wheelchair provider was billing 12 accessories per recipient and another was billing 14. There is no disincentive for ordering more than what is medically necessary.

Recommendations

5.1 We recommend having standard wheelchair package pricing that meets the needs of the typical wheelchair request for that model. Have the wheelchair pricing include what normal accessories would be for that model and set the price of what the wheelchair should cost. The Medicaid independent consultant (previously recommended) or utilization review committee would review those cases where more than the standard package allows. Having a set price for each model discourages adding more accessories than medically necessary.

5.2 See recommendation 3.4 and 3.5

APPENDIX A- Wheelchair Final Evaluation Form

Dear Medicaid Provider:

Effective July 1, 2010, and as published in the July 2010 Medicaid Information Bulletin, a bill cannot be submitted for a power wheelchair or customized wheelchair until the subsequent evaluation is completed by a Physical Therapist or Occupational Therapist. Below is the final evaluation form providers are required to complete and maintain in the client’s file to document services and training were provided.

Motorized or Customized Wheelchair Final Evaluation

Patient Name: _____

Prior Authorization Number(s) for Wheelchair: _____

Evaluation:

1. Does the wheelchair properly fit the patient? Yes No

2. Has the client / caregiver been trained on how to properly use this chair and demonstrated their capability? Yes No

3. The frame, attachments, and components are present as approved on the Prior Authorization? Yes No

NOTE:

If the answer is “No” to any of the above questions a copy of this evaluation must be faxed to the Wheelchair Prior Authorization Nurse with an explanation of how the problem will be resolved. FAX: 801-536-0975.

Name and phone number of therapist performing follow-up evaluation (**PRINTED**):

Therapist Signature: _____ Date: _____

Vendor Name: _____ Date: _____

Vendor Signature: _____

Recipient Statement: The motorized or customized wheelchair I received fits my needs and is what was prior authorized.

Patient Name / Responsible Party: _____

Patient / Responsible

Party Signature: _____ Date: _____

APPENDIX B- Wheelchair Training Checklist

WHEELCHAIR TRAINING CHECKLIST -Motorized

DEMONSTRATED TASK	MET	NOT MET
1. Demonstrates awareness of control unit.		
2. Able to tolerate movement.		
3. Able to release control unit to stop when given a command.		
4. Able to move chair in any direction in an open area.		
5. Tolerates hand-over-hand assistance from others.		
6. Demonstrates the ability to follow requests to go forward, left, right or stop.		
7. Demonstrates the ability to drive wheelchair in an uncrowded hallway.		
8. Learns when to use horn appropriately (when applicable) to warn others of presence.		
9. Demonstrates the ability to drive wheelchair with supervision.		
10. Demonstrates the ability to drive wheelchair between two people.		
11. Demonstrates the ability to maneuver around two people.		
12. Demonstrates the ability to drive wheelchair in and out of three cones.		
13. Demonstrates the awareness of other people in their pathway and stops chair to prevent hitting others.		
14. Demonstrates the ability to drive through doorways.		
15. Demonstrates the ability to drive up and down ramps.		
16. Demonstrates the ability to maneuver around large obstacles.		
17. Begins to recognize changes in surfaces and stops.		
18. Begins to maneuver wheelchair outside with supervision.		
19. Begins to learn the concept of backing up with cuing that the area is free of obstacles.		
20. Demonstrates the awareness of space behind and demonstrates appropriate precautions when backing up.		
21. Demonstrates the ability to turn on and off the wheelchair with indirect supervision.		
22. Demonstrates the ability to maneuver through crowded hallways with indirect supervision.		
23. Demonstrates the ability to maneuver through crowded hallways with indirect supervision.		
24. Demonstrates the ability to freely maneuver wheelchair with indirect supervision.		
25. Demonstrates the ability to access child-specific environments with indirect supervision.		
26. Demonstrates independence with wheelchair.		

PATIENT NAME _____ **DATE** _____

THERAPIST WHO OBSERVED THE TRAINING _____

MEDICAL SUPPLY VENDOR _____

GLOSSARY OF TERMS

<u>Term</u>	<u>Description</u>
CFR	Code of Federal Regulations (Federal Register)
DME	Durable Medical Equipment
MFCU	Medicaid Fraud Control Unit
OT	Occupational Therapist
PA	Prior Authorization
PT	Physical Therapist
SIU	Special Investigations & Inspections Unit
UOIG	Utah Office of Inspector General

REFERENCES

- Utah Medicaid Provider Manual Medical Supplies and Durable Equipment (2017, January). Retrieved from <https://medicaid.utah.gov/Documents/manuals/pdfs/Medicaid%20Provider%20Manuals/Medical%20Supplies%20And%20Durable%20Medical%20Equipment/Archive/2017/MedSupplyDME1-17.pdf>.
- Code of Federal Regulations 440.70 (2016, February 2). Retrieved from <https://www.gpo.gov/fdsys/pkg/FR-2016-02-02/pdf/2016-01585.pdf>
- Repair. (n.d.) Merriam-Webster Dictionary. (2018). Retrieved March 27, 2018 from <https://www.merriam-webster.com/dictionary/repair?src=search-dict-box>
- Modification. (n.d.) Merriam-Webster Dictionary. (2018). Retrieved March 27 2018 from <https://www.merriam-webster.com/dictionary/modification>

MANAGEMENT RESPONSE



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Utah Department of Health

JOSEPH K. MINER, MD, MSPH, FACPM
Executive Director

Division of Medicaid and Health Financing

NATE CHECKETTS
Deputy Director, Utah Department of Health
Director, Division of Medicaid and Health Financing

November 5, 2018

Gene Cottrell
Inspector General
Office of the Inspector General of Medicaid Services
P.O. Box 14103
Salt Lake City, Utah 84114

Dear Mr. Cottrell:

Thank you for the opportunity to respond to the audit entitled *Medical Supply Stores Motorized Wheelchairs* (Report 2017-06). We appreciate the effort and professionalism of you and your staff in this review. Likewise, our staff spent time collecting information for your review, answering questions, and planning changes to improve the program. We believe that the results of our combined efforts will make a better, more efficient program.

We concur with a number of the recommendations in this report. The Department of Health is committed to the efficient and effective use of taxpayer funds and values the insight this report provides on areas that need improvement.

Sincerely,

Nate Checketts
Deputy Director, Department of Health
Division Director, Medicaid and Health Financing



288 North 1460 West • Salt Lake City, UT
Mailing Address: P.O. Box 143101 • Salt Lake City, UT 84114-3101
Telephone (801) 538-6689 • Facsimile (801) 538-6478 • www.health.utah.gov

1

Finding 1: Medicaid does not monitor the required two hours instruction and use in a motorized wheelchair.

Recommendation 1.1

We recommend requiring the wheelchair provider return the Wheelchair Final Evaluation Form to Medicaid before payment of the claim to ensure the safety of the recipient and others is documented upfront and in a timely manner.

Department Response:

The Department concurs with Recommendation 1.1.

Section 3-5.3 of the Medical Supplies and Durable Medical Equipment Manual states for motorized wheelchairs, The *Motorized or Customized Wheelchair Final Evaluation Form* must certify that the wheelchair fits properly, any attachments required are present and appropriate, and the member has been trained in the use of the equipment. When those conditions are met, the PT/OT and the member or their authorized representative sign the *Motorized or Customized Wheelchair Final Evaluation Form* and return it to the DME provider.

Policy will be updated to require the DME provider to submit the completed *Motorized or Customized Wheelchair Final Evaluation Form* to the Department before final payment is made.

The Department will seek input from providers on the revision of the policy and its implementation.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Recommendation 1.2

We recommend Medicaid policy define if two full hours of training is needed for recipients who have already been using a wheelchair and are familiar with how to operate a motorized wheelchair. Document on the Wheelchair Final Evaluation Form any deviation from Medicaid's standardized two-hour training.

k

2

Department Response:

The Department concurs with Recommendation 1.2.

The Department will update the *Wheelchair Final Evaluation Form* to reflect that adequate training for the delivered, physician ordered, wheelchair has occurred and meets the specific needs of each member. Medicaid policy will require adequate training but will not require a specific time amount and therefore a requirement for two hours of training will not be included on the new form.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Implementation Date: July 1, 2019

Finding 2: Medicaid forms do not reinforce policy.

Recommendation 2.1

Final Evaluation Form – We recommend changing the wording on the form specifically to indicate that two hours of instruction and use occurred. Explain expectations of training and use in Medicaid policy to clarify what constitutes training and use.

We recommend PT/OT check off the codes of equipment received with the PA. Institute a checklist or train PT/OT to use the PA approval to check off all the components of the wheelchair received.

We recommend requiring the provider to return this form to Medicaid before payment to ensure the safety of the recipient and others be completed in a timely manner.

Department Response:

The Department concurs with Recommendation 2.1

See Department Response to 1.2 for updated language found on final evaluation form.

The Department will update the wheelchair final evaluation form. The updated form will indicate if the wheelchair fits the member, is appropriate for the member and that the member has been adequately trained for use and functionality. There will also be a question indicating that the member can safely and efficiently operate the wheelchair. All of this information will be required to be documented within the member's medical record.

The form will include a section for the DME provider to sign attesting the frame, all attachments, components and options are present upon delivery, as approved on the prior authorization.

There will also be a section of the form for the member, or their caregiver, to attest to the aforementioned information.

A copy of the final evaluation form shall be maintained within the member's medical record and shall be maintained with the DME provider member's record and shall be submitted to the Department for approval of final payment. The Department will seek input from providers on the revision of the form and procedures for use of the form.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Implementation Date: July 1, 2019

Recommendation 2.2

Wheelchair Training Checklist - We recommend policy state clearly when the face-to-face and prescription should occur. We recommend Medicaid policy reflect that a physician needs to see the patient before the training occurs.

We recommend the patient (or authorized representative) and the PT sign the form to verify the training occurred. Consider having each box initialed by the PT/OT rather than checked with an X or check mark.

We recommend this checklist accompany the Wheelchair Final Evaluation form to document the required two hours of instruction and use upon final delivery.

Department Response:

The Department concurs with some of Recommendation 2.2.

42 CFR 440.70 states when a face-to-face must occur for DME that requires a face-to-face examination as well as a detailed written order (e.g. a prescription). Additionally, R414-1-30 effectively serves as an additional notice to providers about the face-to-face requirements. Given that the face-to-face requirement is in federal regulation with a reminder in Utah Administrative Code, there is no need to reiterate the provider's responsibility to adhere with federal regulations elsewhere.

The Department will update the *Utah Medicaid Wheelchair Checklist Form* to request initials from the PT/OT during evaluations. A signature line for member will be added to the *Utah Medicaid Wheelchair Checklist Form* attesting to all the information found within. The Department will seek input from providers on the revision of the form and procedures for use of the form.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Implementation Date: July 1, 2019

Recommendation 2.3

***Prescriptions** – We recommend creating a clear policy that specifies the prescription or face-to-face encounter is to be the first procedure in obtaining a motorized wheelchair. There should be no approval of the PA if the prescription is dated after the seating evaluation and training checklist.*

We recommend that the required elements of instruction and duration of use be on the prescription or specify that for wheelchairs there is an exception for not prescribing instruction and duration of use. The prescription should specify it was a face-to-face encounter and be dated before any other process.

Department Response:

The Department does not concur with Recommendation 2.3.

See Department Response to Recommendation 2.2.

The Department uses evidence based criteria to determine coverage and the medical necessity of ordered wheelchairs. Evidence based criteria requires that a face-to-face has occurred as well as Utah Administrative Rule R414-1-30.

Adhering to face-to-face requirements, as outlined in R414-1-30, is the providers' responsibility. Regulation of provider compliance with Utah Administrative Rule is a program integrity issue which should be monitored and reinforced by UOIG.

The Department is developing a standardized Detailed Written Order Form that will incorporate all the necessary and pertinent information required when ordering a wheelchair.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Recommendation 2.4

***Wheelchair Seating Evaluation** – Again we recommend Medicaid policy make clear if the prescription and face-to-face is the first step in the process. PA should not approve the motorized wheelchair if this form is dated before the prescription was written and the face-to-face occurred.*

The wheelchair provider is often involved in completing the seating evaluation because the PT/OT and physician do not necessarily know all of the codes of the pieces that are medically necessary. Because the physician dictates medical necessity, the physician should approve and sign the seating evaluation that they concur that all the pieces requested are medically necessary.

We recommend Medicaid create a standard form and require providers to use the form. The form should be on the Medicaid website. The date on this form should coincide or be signed after the date of the prescription in order for the PA to be approved.

Department Response:

The Department concurs with some of Recommendation 2.4.

42 CFR 440.70(f)(2) contemplates when a face-to-face encounter must occur by stating “For the initiation of medical equipment, the face-to-face encounter must be related to the primary reason the beneficiary requires medical equipment and must occur no more than 6 months prior to the start of services.”

The Department is developing a *Utah Medicaid Wheelchair Evaluation Form*. The form will provide information for the physician to dictate medically necessary equipment.

The *Utah Medicaid Wheelchair Evaluation Form* will provide information to physicians and PA staff when determining medical necessity and will substantiate the ordering of medically necessary equipment. PA staff will review dates reported on the form to ensure the form is dated before the prescription was written and the face-to-face occurred.

The *Utah Medicaid Wheelchair Evaluation Form* will be required of all providers requesting wheelchairs.

The Department will seek input from providers on the revision of the form and procedures for use of the form

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Implementation Date: July 1, 2019

Finding 3: There is no differentiation between a repair and modification in Medicaid policy.

Recommendation 3.1

We recommend defining, in policy, what constitutes a repair and a modification. We recommend repair and modification be distinguished apart from one another.

Department Response:

The Department concurs with Recommendation 3.1.

Policy found in section 3-5.5 of the Medical Supplies and Durable Medical Equipment Manual will be updated to reflect a distinction between modifications of wheelchairs versus repair of wheelchairs.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Implementation Date: October 1, 2019

Recommendation 3.2

We recommend considering a maximum allowable amount for repairs.

Department Response:

The Department does not concur with Recommendation 3.2.

The Department believes it is too difficult to identify all possible circumstances where repairs could be needed and establish appropriate maximums. Therefore, the Department evaluates each request for repairs based on medical necessity through the PA and, as needed, the UR/CHEC process.

Recommendation 3.3

We recommend modifications go through the utilization review committee if the chair is less than five years old.

Department Response:

The Department does not concur with Recommendation 3.3.

Section 3-5.5 of the Medical Supplies and Durable Medical Equipment Manual states that all modifications require PA. The Department believes InterQual criteria is sufficient when it is applicable. When the criteria isn't applicable, then the Department reviews the request through the utilization review committee.

Recommendation 3.4

We recommend review of patient clinic notes before approval of any chair or modification to ensure clinic notes match the claims of medical necessity indicated on the seating evaluation. We recommend this for findings four and five as well.

Department Response:

The Department does not concur with Recommendation 3.4.

Medical necessity is determined in accordance with R414-1-2(18) and evidence based criteria. PA staff are trained to determine medical necessity based on documentation submitted with PA requests. Providers are required to retain appropriate documentation for review if audited.

Recommendation 3.5

We recommend having an independent Medicaid consultant, who has appropriate experience, to conduct reviews of motorized wheelchair requests. We recommend this for findings four and five as well.

Department Response:

The Department concurs with Recommendation 3.5.

The Department now employs a physical therapist to consult on requests for wheelchairs.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Implementation Date: This was completed in October 2018.

Finding 4: There is no policy in place to prevent solicitation.

Recommendation 4.1

We recommend that Utah Medicaid adopt a no solicitation policy that prohibits a provider from initiating contact with a Medicaid patient before a prescription has been issued. A no solicitation policy for motorized wheelchairs would be reinforced by not authorizing a wheelchair if the seating evaluation and other documentation is dated before the prescription and face-to-face encounter.

Department Response:

The Department does not concur with Recommendation 4.1.

For Medicare, federal law and regulation prohibit direct solicitation. Similar prohibition does not exist for Medicaid in the federal laws and regulations. It is unclear why it was added for Medicare and not for Medicaid. Noting that all wheelchair approvals have to be prior authorized, we do not believe that it would be appropriate for Utah Medicaid to implement this recommendation.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Recommendation 4.2

Medicaid could consider adopting a bidding system where there are at least two bids, discouraging wheelchair providers from soliciting.

Department Response:

The Department does not concur with Recommendation 4.2

The Department accepts any willing provider for these services consistent with the State Plan. The provider must be enrolled and willing to accept the Department's fee schedule. The Department review different reimbursement methodologies for this service by January 1, 2020.

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Recommendation 4.3

See recommendation 3.4 and 3.5

Department Response:

See Department responses for Recommendations 3.4 and 3.5

Finding 5: Some wheelchair providers are requesting more accessories compared to other wheelchair providers.

Recommendation 5.1

We recommend having standard wheelchair package pricing that meets the needs of the typical wheelchair request for that model. Have the wheelchair pricing include what normal accessories would be for that model and set the price of what the wheelchair should cost. The Medicaid

independent consultant (previously recommended) or utilization review committee would review those cases where more than the standard package allows. Having a set price for each model discourages adding more accessories than medically necessary.

Department Response:

The Department concurs with some of Recommendation 5.1.

The Department is reviewing the coverage criteria to align with the Local Coverage Determination (LCD) wheelchair bundling system. For options or accessories, falling outside of those bundles, medical necessity and a PA will need to be established. Medical necessity will be determined by PA staff utilizing evidence based criteria and the requirements for medical necessity outlined within the LCD and R414-1-2(18).

Contact: Krisann Bacon, Assistant Bureau Director, Bureau of Coverage and Reimbursement Policy, 801-538-6149

Implementation Date: October 1, 2019

Recommendation 5.2

See recommendation 3.4 and 3.5

Department Response:

See Department Responses to Recommendations 3.4 and 3.5.

EVALUATION OF MANAGEMENT RESPONSE

Thank you for your response to the audit report, Medical Supply Stores Motorized Wheelchairs (Report 2017-06). We appreciate your efforts in reviewing this report, preparing your response, and concurring with a number of UOIG's recommendations. We acknowledge that the UOIG can only make recommendations and would like to reiterate the justification for some policy recommendations for which Utah Medicaid did not concur.

Utah Medicaid concurs with recommendation 2.1.

The response indicated that Utah Medicaid will update the wheelchair final evaluation form, however the response stated, *"The updated form will indicate if the wheelchair fits the member, is appropriate for the member and that the member has been adequately trained for use and functionality."* We still recommend clarification and guidelines for what constitutes adequate training. We still recommend utilizing the Wheelchair Training Checklist upon delivery to document the training received.

Utah Medicaid stated the DME provider and member or caregiver will sign the Wheelchair Final Evaluation Form. The signature of the physical therapist is not mentioned in the response. Utah Medicaid policy requires the Final Evaluation Form is completed by a PT/OT, therefore, the physical therapist should also sign the form.

Utah Medicaid concurs with some of recommendation 2.2.

Wheelchair Training Checklist: Our recommendation was for policy to state clearly when the face-to-face and prescription should occur. We recommended Medicaid policy reflect that a physician needs to see the patient before the training occurs.

Utah Medicaid's response to this recommendation stated: *42 CFR 440.70 states when a face-to-face must occur for DME that requires a face-to-face examination as well as a detailed written order (e.g. a prescription). Additionally, R414-1-30 effectively serves as an additional notice to providers about the face-to-face requirements. Given that the face-to-face requirement is in federal regulation with a reminder in Utah Administrative Code, there is no need to reiterate the provider's responsibility to adhere with federal regulations elsewhere.*

We concur that the current CFR 440.70 and R414-1-30 clearly require a face-to-face encounter must occur and be related to the primary reason requiring medical equipment. We also concur that it is the provider's responsibility to adhere to policy. However, the face-to-face requirement was not in effect during the scope of our audit. The recommendation was not that Utah Medicaid state clearly that a face-to-face should occur but that policy state clearly, when it should occur.

Review of medical records revealed physicians performed the face-to-face even though the policy was not in effect in Utah until July 2017. However, based on the medical records reviewed and concurrent investigations, the face-to-face encounter occurred after completion of the seating evaluation and after completion of the Wheelchair Training

Checklist. The physician did not initiate the start of DME services and establish medical necessity per CFR 440.70. The PT/OT and DME provider completed the seating evaluation and training before the physician saw the patient face-to-face and wrote a prescription. There were 23 Wheelchair Training Checklists signed before the prescription, which indicates training in a wheelchair was completed before the physician prescribed the chair or saw the patient face-to-face. The seating evaluation lists the medical necessity of each piece of the wheelchair. The dated signature on 32 seating evaluations was before the signed prescription and face-to-face encounter from the physician.

Based on the findings there is lack of understanding of what constitutes initiation and start of services for wheelchairs per CFR 440.70. A clearly defined Utah Medicaid policy, outlining when the face-to-face encounter should occur, would help reduce confusion regarding initiation or start of services.

Utah Medicaid does not concur with recommendation 2.3.

See UOIG response to department response of 2.2.

UOIG does monitor program integrity and reinforces provider compliance. However, performing post payment reviews of motorized wheelchairs occurs after delivery of the chair and payment of the claim. Risk of the patients, or others, being in danger because they cannot operate the wheelchair safely; or risk of the patient not utilizing the authorized wheelchair may result in waste of Medicaid funds. Therefore, the UOIG still recommends specifying in policy what specific training is required and clearly defining in Utah Medicaid policy what constitutes initiation and start of services.

Prescriptions: Utah Medicaid indicated they are developing a Detailed Written Order Form. We recommend that Utah Medicaid policy specify when the Detailed Written Order Form and the prescription should be signed in correlation with a Utah Medicaid policy definition of initiation that is recommended above.

Utah Medicaid concurs with some of recommendation 2.4

See UOIG response to department response of 2.2.

Wheelchair Seating Evaluation: Utah Medicaid did not respond to our recommendation that the physician review the seating evaluation and concur by signing. We strongly recommend a physician sign the seating evaluation because the seating evaluation indicates medical necessity for each piece of the wheelchair.

Utah Medicaid's response stated PA staff will review dates reported on the evaluation form to ensure the form is dated before the prescription was written and the face-to-face occurred. We recommended the PA staff ensure the prescription and face-to-face occurred before the seating evaluation. Again, we recommend a clear definition of initiation and start of services in the Utah Medicaid policy.

Utah Medicaid does not concur with recommendation 3.2.

UOIG concurs that it may be too difficult to identify all possible circumstances where repairs could be needed and that the PA and UR/CHEC process is sufficient at this time.

Utah Medicaid does not concur with recommendation 3.3.

Modifications: Utah Medicaid stated in their response that InterQual criteria was sufficient when applicable. Repairs and some modifications do not go through InterQual criteria review. Utah Medicaid concurred with recommendation 3.1 that they would distinguish the difference between a repair and modification and we still recommend treatment of a modification as new, therefore necessitating at least InterQual review if not through the utilization review committee.

Utah Medicaid does not concur with recommendation 3.4.

Utah Medicaid stated that evidence based criteria determines coverage and medical necessity. However, that criterion is based upon the information given in the PA request. As discovered in the medical records and investigations there were times when the clinic notes did not match the patients' necessity for the wheelchair and what was in the PA request. Submitting clinic notes along with the PA request gives the PA department adequate information to review wheelchair requests. We still recommend review of clinic notes to ensure the request matches the medical necessity of a motorized wheelchair. The addition of this process helps ensure the chair is approved according to medical necessity confirmed in the patient's medical record.

Utah Medicaid does not concur with recommendation 4.1.

We recognize that federal Medicaid does not have a regulation requiring no direct solicitation. While Utah Medicaid is required to follow federal regulations, Utah Medicaid has the authority to enhance federal policy. A common finding of concurrent UOIG DME investigations was direct solicitation by a DME provider to either the facility, physician or patient. We therefore still recommend creation of a policy prohibiting direct solicitation since the DME provider cannot determine medical necessity.

Utah Medicaid does not concur with recommendation 4.2.

We concur with this response based on the department's response to recommendation 5.1., in that the department is reviewing the coverage criteria to align with the Local Coverage Determination (LCD) wheelchair bundling system.

Utah Medicaid concurs with some of recommendation 5.1.

Our recommendation was that an independent consultant would review requests for more than the bundled price. We recommend utilization of Medicaid's newly employed physical therapist to review wheelchairs where more than what is included in the bundled price is requested.

UTAH OIG CONTACTS AND STAFF ACKNOWLEDGEMENT

UTAH OIG CONTACT



Jennifer Jenkins
Lead Auditor

Neil Erickson
Audit Manager

UTAH OIG MISSION STATEMENT

The Utah Office of Inspector General of Medicaid Services, on behalf of the Utah Taxpayer, will comprehensively review Medicaid policies, programs, contracts and services in order to identify root problems contributing to fraud, waste, and abuse within the system and make recommendations for improvement to Medicaid management and the provider community.

ADDRESS

Utah Office of Inspector General
Martha Hughes Cannon Health Building
288 N 1460 W
Salt Lake City, Utah 84116

OTHER

Website: <http://www.oig.utah.gov/>
Hotline: 855.403.7283
Email: uoig@utah.gov