



NEWS FROM THE OFFICE OF  
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**FOR IMMEDIATE RELEASE**

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**Erie County Comptroller David Shenk Releases Audit of Medicaid Transportation Coordinator**

Erie County Comptroller David J. Shenk has released his [audit](#) of the "Center for Transportation Excellence" (CTE) which oversees transportation of the county's Medicaid patients. Although the audit did not uncover any instances of fraud or abuse, there are areas that both the County and CTE can work to improve. Shenk also announced that he will be calling on federal representatives to update Medicaid legislation to deal with recipients who have excessive void trips.

Medicaid provides health insurance to three segments of the population: low-income families and individuals; older Americans and persons with disabilities; low-income Medicare beneficiaries who need additional coverage for services not covered by Medicare. New York State pays 50% of Erie County's Medicaid costs, with the County and the Federal government paying the remainder.

"This project was chosen because Medicaid is one of the County's biggest expenses: we spent more than \$206 million dollars on Medicaid in 2011, which is more than 90 percent of the \$217 million that is collected in property taxes," said Shenk. "The citizens of our community deserve to know if their hard-earned tax dollars are being put to their best and most efficient use. Our objectives were to: (1) determine whether CTE was in compliance with the provisions of the contract; (2) to confirm that a sample of 2011 transportation trips were for valid medical appointments; and (3) test the validity of CTE's call audits. CTE has been an excellent partner with the county, but I believe that there is room for improvement on the policy level from both CTE and the Erie County Department of Social Services (DSS). I am happy to report that both CTE and DSS agree with many of our findings and are strongly considering ways to implement many of our recommendations."

"The Center for Transportation Excellence (CTE) was pleased to learn the results of the Comptroller's Contract Compliance Audit," said Daniel Skulicz, Director of Operations for CTE. "His opinion, that the "internal control over contract monitoring was adequate to ensure compliance with the terms of the contract" was certainly gratifying. Moreover, the Center for Transportation Excellence takes great pride in the \$842,538.24 in taxpayer savings identified by the Comptroller and attributed to CTE's proprietary software that capped mileage reimbursement to transportation providers. It is fair to say that Erie County and the Center for Transportation Excellence have teamed up to produce an operating model that far exceeds systems used in other counties in our state.

"While some of the audit recommendations are directed at the Erie County Department of Social Services and others are directed at the Center for Transportation Excellence, the Center for Transportation Excellence generally agrees with the recommendations offered and will work with the Erie County Department of Social Services to implement measures that will address the recommendations. We welcome the Comptroller's insights and take seriously his recommendations that directly impact CTE responsibilities under the contract negotiated by the County."

In order to use this service, a Medicaid recipient must contact CTE to schedule a trip, which is then assigned to one of sixteen private Medicaid-authorized transportation providers. Vendor assignment is based upon the type of vehicle needed, the location of the patient, the time and day of the trip, and the size of the vendor's vehicle fleet. Erie County is the only county in NYS that pre-qualifies patients for transportation services. To qualify for this service, a medical provider must document a medical need, a "social history form" must be completed, and the request is then reviewed by Erie County's Social Services. It can take up to 45 days for approval. Transportation services are approved for a period of anywhere from 6 months to one year.

"Overall, the internal controls at CTE are good," said Shenk. "Their records and procedures are sufficient to insure compliance with the contract with the County. In addition, CTE developed software to calculate the most direct route from a client's home to their destination. This program interfaces with the program used by the DSS. This is an enormously useful tool that saves money for the taxpayers."

Transportation vendors submit claims to Medicaid and are paid directly. The trip cost includes a base fee plus mileage. Medicaid rules restrict reimbursement only to those trips for valid Medicaid appointments. Trips where the patient does not show up or trips for non-Medicaid appointments are not reimbursed.

"My audit found that there were 10,048 voided trips in 2011, with 2,627 recipients being responsible for these voids. In fact, there were 33 recipients with 10 or more voids in a single month. Medicaid does not pay vendors for trips where the client fails to appear, so the cost for no-shows is ultimately borne by the vendors who provide the service. This is not fair to hard working small business people who are trying to make a living serving the public. This is why I plan on meeting with federal representatives to discuss ways that Medicaid legislation can be improved to hold those recipients with excessive trips responsible for their actions."

**Key findings from the report:**

- The CTE has a built in system to verify whether recipients who use this service have valid medical appointments. However, the Department of Social Services (DSS) does not follow up on these discrepancies.
- DSS has not followed up on the recipients with excessive voided trips.
- CTE does not track daily trip vendor "no-shows".
- Nearly 20% of recipients scheduled for courtesy trips exceeded the two-trip limit.

**Recommendations from the Comptroller's office:**

- DSS should review the Audit Call Summary report provided by CTE for entries that show that the client did not have a valid medical appointment.
- DSS should review the "Complaints by Provider Summary Report" for recipient complaints of being transported with one or more other recipients, and verify that the vendor had multi load trip billings in that month. If there continues to be a discrepancy with recipients complaining of multi load trips, yet the transportation is not billing for such trips, this is an area for investigation for the recently approved Medicaid Fraud investigation unit approved by the County Legislature.
- DSS should include language in the next contract to require CTE to verify 1% of scheduled and 2% of completed appointments, rather than trips, to ensure a larger sample of medical appointments are being audited. CTE should also add the percentage of scheduled and completed appointments audited to the Audit Call Summary report each month.

- DSS should review the recipients with excessive void trips and work with CTE to craft a policy similar to other counties in New York which requires recipients with multiple cancelled trips to confirm in advance that they will be using the transportation service for their scheduled appointment.
- CTE should begin tracking complaints from recipients in order to identify vendors are having excessive timeliness and no-show issues. CTE has agreed to enhance their existing software to begin tracking this and supplying the information to DSS in a monthly report.
- CTE and DSS should take steps to revise the next contract to update or remove the language related to courtesy trips in light of the fact that there are a number of situations that warrant a courtesy trip regardless if the two trip maximum is exceeded, and that Medicaid pays regardless of how many courtesy trips are used.

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