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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 5, 2013

Mr. Alan D. Aviles
President
New York City Health and Hospitals Corporation
125 Worth Street
New York, NY 10013

Re: Non-Emergency Patient Transportation
Services
Report 2013-F-7

Dear Mr. Aviles:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; and Article III of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Health and Hospitals Corporation (HHC) to implement the recommendations contained in our audit report, *Non-Emergency Patient Transportation Services* (Report 2008-N-3).

Background, Scope and Objectives

The New York City Health and Hospitals Corporation (HHC) is the largest municipal hospital and health care system in the country. It provides comprehensive medical, mental health, and substance abuse treatment services to New York City residents, regardless of their ability to pay. HHC operates 11 acute care hospitals, four skilled nursing facilities, six large diagnostic and treatment centers, and more than 70 community health or school-based clinics.

HHC provides livery/taxi, ambulette, and ambulance transportation to patients who require non-emergency transportation for healthcare-related services. These services must be authorized in advance by the patient's physician. In 2004, HHC initially contracted with 44 providers for non-emergency patient transportation services, based on Medicaid fees for each mode of transportation. Between 2010 and 2012, HHC renewed its agreements with 28 of these vendors and entered into first-time agreements with nine new vendors. Starting in January 2013, HHC facilities are phasing in the use of an independent transportation management company to make transportation arrangements with the providers. The Corporation paid \$2.7 million for non-emergency patient transportation during fiscal year 2013.

Our initial audit report, which was issued on February 10, 2010, examined controls over selected HHC non-emergency patient transportation payments at two HHC facilities to determine whether these payments were properly authorized and supported. Our report identified a number of weaknesses, including a lack of documentation for physician authorization of patient transportation at Coler-Goldwater, and instances where trips were not billed at the correct rates. We also found that three of the 14 drivers working for one of the providers had criminal histories that may have put the safety of HHC patients they came in contact with at risk.

The objective of our follow-up review was to assess the extent of implementation of the seven recommendations included in our initial report as of July 18, 2013.

Summary Conclusions and Status of Audit Recommendations

We found that HHC officials have made progress in correcting the problems we identified. Of the seven prior audit recommendations, six recommendations have been implemented and one was not implemented.

Follow-up Observations

Recommendation 1

Do not reimburse vendors for any non-emergency patient transportation that is not authorized in advance by the patient's physician.

Status - Implemented

Agency Action - HHC policy requires that in all cases, medical authorization must be established by the patient's physician in advance of the transportation being provided. We found that both Bellevue and Coler-Goldwater utilize a Transportation Request form to initialize non-emergency patient transportation. Our review of the Transportation Request forms at both Coler-Goldwater and Bellevue found that they all contained a physician's authorization. In addition, the forms indicated if the patient had insurance coverage (i.e., Medicaid or third party insurance) or was self-paying.

Recommendation 2

Verify patient Medicaid eligibility before using HHC funds to pay for their transportation.

Status - Implemented

Agency Action - HHC facilities are required to check for patient Medicaid eligibility and to assist patients in applying for such coverage. At Bellevue and Coler-Goldwater, the Transportation Department makes an initial determination of the patients' Medicaid status. Patients who have pending Medicaid coverage have a 90-day window from the date of service to obtain eligibility and have their transportation bill paid through Medicaid. We confirmed that

both Bellevue and Coler-Goldwater have a process in place to verify Medicaid eligibility for patients before HHC funds are used to pay for their transportation.

Recommendation 3

Periodically review transportation reimbursements to determine whether patients' Medicaid eligibility determinations were completed after the time of service delivery and Medicaid could now be billed to recover the cost.

Status - Not Implemented

Agency Action - HHC's Operating Procedures for Non-Emergency Patient Transportation Services requires that each facility conduct periodic audits of patient transportation procedures, which would include a review of transportation reimbursements to determine patients' Medicaid eligibility determinations. We found that no such audits of Medicaid eligibility determinations were performed by the facilities we visited or HHC's internal audit department.

Recommendation 4

Before paying vendor invoices review them for compliance with agreed upon rates.

Status - Implemented

Agency Action - Our test of sampled invoices at both Bellevue and Coler-Goldwater found that the facilities confirmed that the correct rates were used before they paid the selected invoices.

Recommendation 5

Recoup all of the overcharges noted in this report.

Status - Implemented

Agency Action - This recommendation pertained to \$2,205 in overcharges to Bellevue. We found that Bellevue recovered the overpayment.

Recommendation 6

Ensure that all contracts with patient transportation vendors include a clause commensurate with HHC's policy requiring criminal background checks for their employees.

Status - Implemented

Agency Action - HHC inserted a clause into their transportation contracts requiring that each

vendor conduct driver backgrounds checks for any criminal activity. The initial criminal record check must cover the most recent three year period. Subsequent checks are to be made on a quarterly basis. HHC also updated its Operating Procedures to include a requirement that providers of non-emergency patient transportation perform criminal background checks on all of their employees who come in contact with patients.

Recommendation 7

Monitor vendor compliance with the criminal background check requirement.

Status - Implemented

Agency Action - HHC relies on signed affidavits and letters of certification submitted by the transportation vendors attesting to having had criminal background checks conducted on each of their drivers. We confirmed that each of Bellevue and Coler-Goldwater's transportation vendors submitted signed affidavits and letters of certification. In addition, our review of the results of the background checks showed that none of the drivers had criminal histories.

Major contributors to this report were Santo Rendón, Jeremy Mack, Raymond Louie, Unal Sumerkan, and Danielle Marciano.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We also thank the management and staff of HHC, Bellevue, and Coler-Goldwater for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Michael Solomon
Audit Manager

cc: Christopher Telano, HHC
George Davis, Mayor's Office of Operations
Tom Lukacs, Division of the Budget