OHIO AUDITOR OF STATE
KEITH FABER

OHIO AUDITOR OF STATE
KEITH FABER

Medicaid Contract Audit
65 East State Street
Columbus, Ohio 43215
(614) 466-3340
ContactMCA@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT PAYMENTS FOR BEHAVIORAL HEALTH SERVICES

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: The Phoenix Center, Inc.
Ohio Medicaid Numbers: 0387470 and 0399232
National Provider Identifiers: 1225670813 and 1063044394

We examined compliance with specified Medicaid requirements for select payments during the period of January 1, 2020 through December 31, 2022 for The Phoenix Center, Inc. We tested the following select payments:

- All recipient dates of service (RDOS)[1] that included potential duplicate services;
- Potential unbundled services;
- All RDOS with 10 or greater services;
- All RDOS that included a nursing visit and an office visit;
- A sample of partial hospitalization services; and
- A sample of intensive outpatient program services.

The Phoenix Center entered into an agreement with the Ohio Department of Medicaid (the Department) to provide services to Medicaid recipients and to adhere to the terms of the provider agreement, Ohio Revised Code, Ohio Administrative Code, and federal statutes and rules, including the duty to maintain all records necessary and in such form to fully disclose the extent of services provided and significant business transactions. Management of The Phoenix Center is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements examined. Our responsibility is to express an opinion on The Phoenix Center's compliance with the specified Medicaid requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether The Phoenix Center complied, in all material respects, with the specified requirements referenced above. We are required to be independent of The Phoenix Center and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

An examination involves performing procedures to obtain evidence about whether The Phoenix Center complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion. Our examination does not provide a legal determination on The Phoenix Center's compliance with the specified requirements.

[1] An RDOS is defined as all services for a given recipient on a specific date of service.

Internal Control over Compliance

The Phoenix Center is responsible for establishing and maintaining effective internal control over compliance with the Medicaid requirements. We did not perform any test of the internal controls and we did not rely on the internal controls in determining our examination procedures. Accordingly, we do not express an opinion on the effectiveness of The Phoenix Center's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, The Phoenix Center lacked documentation to support the reimbursement, unbundled and billed services separately and provided services not authorized by a treatment plan.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified paragraph, The Phoenix Center has complied in all material respects, with the select requirements for the selected payments for the period of January 1, 2020 through December 31, 2022. Our testing was limited to the specified Medicaid requirements detailed in the Compliance Section. We did not test other requirements and, accordingly, we do not express an opinion on The Phoenix Center's compliance with other requirements.

We identified improper Medicaid payments in the amount of $16,756.73. This finding plus interest in the amount of $1,340.54 (calculated as of October 30, 2024) totaling $18,097.27 is due and payable to the Department upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the Department, which are not validated in the records, are subject to recoupment through the audit process in accordance with Ohio Admin. Code 5160-1-27. If waste and abuse are suspected or apparent, the Department and/or the Office of the Attorney General will take action to gain compliance and recoup inappropriate or excess payments per Ohio Admin. Code 5160-1-29(B).[2]

This report is intended solely for the information and use of The Phoenix Center, the Department, and other regulatory and oversight bodies, and is not intended to be, and should not be used by anyone other than these specified parties.

Keith Faber
Auditor of State
Columbus, Ohio

November 20, 2024

[2] "Waste and abuse" are practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and that constitute an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program. Ohio Admin. Code 5160-1-29(A)

COMPLIANCE SECTION

Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each State's Medicaid program. The rules and regulations for the program are specified in the Ohio Administrative Code and the Ohio Revised Code. Medicaid providers must "maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions" for a period of six years from receipt of payment or until any audit initiated within the six-year period is completed. Per Ohio Admin. Code 5160-1-17.2(D) and (E), providers must furnish such records for audit and review purposes.

The Phoenix Center is an Ohio Department of Mental Health and Addiction Services certified agency (provider types 84 and 95) located in Lawrence County. The Phoenix Center received payment of approximately $19.9 million including managed care and fee-for-service (FFS) payments for over 249,000 mental health and substance use disorder services.[3]

Table 1 contains the behavioral health procedure codes selected for this compliance examination.

Table 1: Behavioral Health Services

Procedure Code	Description
90832	Individual Psychotherapy – 30 minutes
90834	Individual Psychotherapy – 45 minutes
90837	Individual Psychotherapy – 60 minutes
90853	Group Psychotherapy
99203	Office Visit, new patient – 30 minutes
99213	Office Visit, established patient – 20 minutes
99214	Office Visit, established patient – 30 minutes
99354	Prolonged Office Visit – first 60 minutes
99355	Prolonged Office Visit – each additional 30 minutes
H0005	Group Counseling
H0006	Case Management
H0015	Intensive Outpatient Services (IOP) and Partial Hospitalization
H0036	Community Psych Support – 15 minutes
H0048	Alcohol and/or Other Drug Testing
H2019	TBS – 15 minutes
H2036	Treatment Program - Per Diem
T1002	RN services – 15 minutes
T1003	LPN services – 15 minutes

Source: Appendix to Ohio Admin. Code 5160-27-03

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether The Phoenix Center's claims for payment complied with Ohio Medicaid regulations. Please note that all rules and code sections relied upon in this report were those in effect during the examination period and may be different from those currently in effect.

[3] Payment data from the Medicaid Information Technology System.

Purpose, Scope, and Methodology (Continued)

The scope of the engagement was limited to select payments, as specified below, for which The Phoenix Center billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained The Phoenix Center's FFS claims from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We also obtained paid claims data from three managed care entities (MCE) and confirmed the services were paid to The Phoenix Center's tax identification number. From the combined FFS and MCE claims data, we removed services paid at zero, third-party payments, co-pays and Medicare crossover claims. From the remaining total paid services, we selected the following payments:

- All Potential Duplicates (procedure codes 90832, 90834, 90837, H0005, H0006, H0015 and H0036) (RDOS with Potential Duplicate Services Exception Test);
- All instances of potential unbundled services (procedure codes 90832, 90834, 90837, 99203, 99213, H0005, H0006, H0015, H0036, H0048, H2036, T1002) (Potential Unbundled Services Exception Test);
- All RDOS with greater than 10 services (procedure codes 90832, 90834, 90837, 90853, 99213, 99214, 99354, H0005, H0006, H0015, H0036, H0048, H2019, T1002, T1003) (RDOS with Greater than 10 Services Exception Test);
- All RDOS that included a nursing visit and an office visit (procedure codes 99203, 99213, 99214, 99354, 99355, T1002, T1003) (RDOS with Nursing Visit and Office Visit Exception Test);
- A sample of partial hospitalization services (procedure code H0015 modified with TG) (Partial Hospitalization Services Sample); and
- A sample of intensive outpatient program services (procedure code H0015) (Intensive Outpatient Program Services Sample).

The exception tests and calculated sample sizes are shown in **Table 2**.

Table 2: Exception Tests and Samples

Universe	Population Size	Sample Size	Selected Payments
Exception Tests			
RDOS with Potential Duplicate Services			108
Potential Unbundled Services			97
RDOS with Greater than 10 Services			102
RDOS with Nursing Visit and Office Visit			79
Samples			
Partial Hospitalization Services	28,325 RDOS	100 RDOS	100
Intensive Outpatient Program Services	20,598 RDOS	100 RDOS	100
Total			**586**

A notification letter was sent to The Phoenix Center setting forth the purpose and scope of the examination. During the entrance conference, The Phoenix Center described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used, reviewed service documentation, and verified professional licensure. We sent preliminary results to The Phoenix Center, and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

Results

The summary results are shown in **Table 3**. The non-compliance and basis for findings is discussed below in further detail.

Table 3: Results			
Universe	**Payments Examined**	**Non-compliant Services**	**Improper Payment**
Exception Tests			
RDOS with Potential Duplicate Services	108	33	$2,497.54
Potential Unbundled Services	97	48	$7,585.11
RDOS with Greater than 10 Services	102	11	$319.49
RDOS with Nursing Visit and Office Visit	79	6	$602.95
Samples			
Partial Hospitalization Services	100	0	$0.00
Intensive Outpatient Program Services	100	39	$5,751.64
Total	**586**	**137**	**$16,756.73**

A. Provider Qualifications

Exclusion or Suspension List

Per Ohio Admin. Code 5160-1-17.2(H), in signing the Medicaid provider agreement, a provider agrees that the individual practitioner or employee of the company is not currently subject to sanction under Medicare, Medicaid, or Title XX; or is otherwise prohibited from providing services to Medicaid beneficiaries.

We identified 60 rendering practitioners in the service documentation for the selected payments and compared their names to the Office of Inspector General exclusion database and the Department's exclusion/suspension list. We also compared identified administrative staff names to the same database and exclusion/suspension list. We found no matches.

Licensure/Certification

For the 42 licensed/certified practitioners identified in the service documentation, we verified via the e-License Ohio Professional Licensure System that their licenses/certifications were current and valid on the first date found in our selected payments and were active during the remainder of the examination period. We identified no errors.

B. Service Documentation

Documentation requirements include the date, time of day, and duration of service contact. See Ohio Admin. Code 5160-27-02(H) and 5160-8-05(F). In addition, Ohio Admin. Code 5160-27-09(B)(3) lists services included a residential per diem service that will not be reimbursed separately.

We compared The Phoenix Center's documentation to the required elements. We also compared units billed to documented duration and ensured the services met the duration requirements. For errors where units billed exceeded the documented duration, the improper payment was based on the unsupported units.

B. Service Documentation (Continued)

RDOS with Potential Duplicate Services Exception Test

The 108 payments examined contained 30 instances in which there was no documentation to support the payment and three instances in which the documentation did not support the procedure code billed.

These 33 errors resulted in the improper payment of $2,497.54.

Potential Unbundled Services Exception Test

The 97 payments examined contained the following errors:

- 32 instances in which there was no documentation to support the payment;
- 14 instances in which the service documentation supported a service that was included in a per diem reimbursement; and
- two instances in which the beginning time for one service was prior to the end time of the previous service for the same recipient.

These 48 errors resulted in the improper payment of $7,585.11.

RDOS with Greater than 10 Services Exception Test

The 102 payments examined contained the following errors:

- five instances in which the units billed were greater than the documented duration;
- three instances in which the beginning time for one service was prior to the end time of the previous service for the same recipient;
- two instances in which there was no documentation to support the payment; and
- one instance in which the beginning and end times of a service was not documented.

These 11 errors resulted in the improper payment of $319.49.

RDOS with Nursing Visit and Office Visit Exception Test

The 79 payments contained six instances in which there was no documentation to support the payment.

These six errors resulted in the improper payment of $602.95.

Partial Hospitalization Services Sample

The 100 payments examined were compliant with the criteria tested for service documentation.

Intensive Outpatient Program Services Sample

The 100 payments examined contained one instance in which the documented duration did not meet the minimum time requirement.

This one error is included in the improper payment amount of $5,751.64.

B. Service Documentation (Continued)

Recommendation

The Phoenix Center should develop and implement procedures to ensure that all service documentation and billing practices fully comply with requirements contained in Ohio Medicaid rules. In addition, The Phoenix Center should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for payment. The Phoenix Center should address the identified issues to ensure compliance with the Medicaid rules and avoid future findings.

C. Authorization to Provide Services

A treatment plan must be completed within five sessions or one month of admission, whichever is longer, must specify mutually agreed treatment, track responses to treatment and is expected to bear the signature of the professional who recorded it in accordance with Ohio Admin. Code 5160-27-02(H) and 5160-8-05(F).

We obtained treatment plans from The Phoenix Center for the sampled payments. We reviewed all payments to determine if they were supported by a signed treatment plan.

Partial Hospitalization Services Sample

The 100 payments were compliant with the criteria tested for authorization to provide services.

Intensive Outpatient Program Services Sample

The 100 payments examined contained 36 instances in which the treatment plan did not authorize the service tested and two instances in which there was no treatment plan.

These 38 errors are included in the improper payment of $5,751.64.

We did not test authorization to provide services in the exception tests.

Recommendation

The Phoenix Center should develop and implement controls to ensure that all services billed are authorized by a signed treatment plan and that treatment plans are updated as recipient needs change. The Phoenix Center should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Official Response

The Phoenix Center declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE
KEITH FABER

THE PHOENIX CENTER, INC.

LAWRENCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 12/5/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370