SOLON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

MEDICAID COMPLIANCE EXAMINATION REPORT

FOR THE PERIOD JULY 1, 2011 THROUGH JUNE 30, 2013

Dave Yost · Auditor of State

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SOLON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO THE MEDICAID SCHOOL PROGRAM

Joseph Regano, Superintendent
Solon City School District
33800 Inwood Drive
Solon, Ohio 44139

RE: *Medicaid Provider Number 3148703*

Dear Mr. Regano:

We examined your (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service authorization and service documentation related to the provision of Medicaid School Program (MSP) services during the period of July 1, 2011 through June 30, 2013. We confirmed that the services rendered were performed by licensed professionals with valid criminal background checks and we tested service documentation and individualized education programs (IEP) to verify that there was authorization and support for the date of service paid by Ohio Medicaid. The accompanying Compliance Examination Report identifies the specific requirements examined.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients (the Provider Agreement). The Provider Agreement outlines the responsibility to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, and the regulations and policies set forth in the Medicaid Handbook including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Therefore, the Provider is responsible for complying with the requirements and laws outlined by the Medicaid program.

Auditor's Responsibility

Our responsibility is to express an opinion and report on the Provider's compliance with the specified Medicaid requirements based on our examination. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code and conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and, accordingly, included examining, on a test basis, evidence supporting the Provider's compliance with those Medicaid requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on the Provider's compliance with the specified Medicaid requirements.

Internal Control Over Compliance

The Provider 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 Provider's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that in a material number of instances the units billed did not agree to the documented units and an unlicensed practitioner rendered services during a portion of our examination period.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the Provider has complied, in all material respects, with the aforementioned requirements for the period of July 1, 2011 through June 30, 2013.

Our testing was limited to the specified Medicaid requirements detailed in the Compliance Examination Report. We did not test other requirements and, accordingly, we do not express an opinion on the Provider's compliance with other requirements.

We found the Provider was overpaid by ODM for services rendered between July 1, 2011 and June 30, 2013 in the amount of $13,867.15. This finding plus interest in the amount of $527.24 totaling $14,394.39 is due and payable to the ODM upon its adoption and adjudication of this examination report. When the Auditor of State identifies fraud, waste or abuse by a provider in an examination,[1] any payment amount in excess of that legitimately due to the provider will be recouped by ODM through its Fiscal Operations, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of the Ohio Department of Medicaid, the Medicaid Fraud Control Unit of the Ohio Attorney General's Office, the U.S. Department of Health and Human Services/Office of Inspector General, and other regulatory and oversight bodies, and is not intended to be, and should not be used by anyone other than these specified parties. In addition, copies are available to the public on the Auditor of State website at www.ohioauditor.gov.

Dave Yost
Auditor of State

August 5, 2015

[1] "Fraud" is an intentional deception, false statement, or misrepresentation made with the knowledge that the deception, false statement, or misrepresentation could result in some unauthorized benefit to oneself or another person. "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 EXAMINATION REPORT FOR SOLON CITY SCHOOL DISTRICT

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 that providers must follow are specified in the Ohio Administrative Code and the Ohio Revised Code. The fundamental concept underlying the Medicaid program is medical necessity of services: defined as services which are necessary for the diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. *See* Ohio Admin. Code § 5160-1-01(B) According to Ohio Admin. Code § 5160-1-17.2(D), 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 or until any audit initiated within the six year period is completed. Providers must furnish such records for audit and review purposes. Ohio Admin. Code § 5160-1-17.2(E)

The Provider is a city school district that furnished occupational and physical therapy, speech-language pathology, audiology and mental health services through the MSP during our examination period. The Provider received a total reimbursement of $78,232.41 for 3,083 services, to 37 unique recipients on 323 dates of service. MSP services were recorded and signed electronically by the rendering practitioner in an electronic health record (EHR) and were billed to Ohio Medicaid by a contracted billing company directly from this EHR system.

Eligible recipients of MSP services are children between the ages of three to twenty-one who have an IEP which includes services that are allowable under Medicaid. *See* Ohio Admin. Code § 5160-35-01(A)(6) According to Ohio Admin. Code § 5160-35-02(B)(1), the only provider of MSP services are city, local or exempted village school districts, state schools for the blind and deaf and community schools.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid claims for reimbursement 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.

The scope of the engagement included all procedure codes the Provider billed to Ohio Medicaid and received payment for the period of July 1, 2011 through June 30, 2013. These procedure codes included:

- 92506 – Speech evaluation
- 92507 and 92508 – Speech therapy (individual and group)
- 96101 – Psychological testing
- 97110, 97150 and 97530 – Occupational or physical therapy procedure or activity (individual and group)

We received the Provider's claims history from the Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed all voided services and services paid at zero. From the remaining sub-population we selected a simple random sample based on recipient year month of service (RYMOS). A recipient year month of service is defined as all services a recipient received in a given month of a specific year. We then obtained the detailed services for all of the selected RYMOS resulting in a sample of 862 services. Due to the type of errors noted in the examination of this sample, we examined the remaining 2,221 services in the sub-population for two specific attributes as noted below. We reviewed these

samples to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

An engagement letter was sent to the Provider on April 7, 2015 setting forth the purpose and scope of the examination. An entrance conference was held at the Provider's office on April 23, 2015. During the entrance conference the Provider described its documentation practices, personnel related procedures and billing process. Our fieldwork was performed following the entrance conference.

Results

We examined a random sample of 862 services and identified 208 errors. Due to the nature of the errors identified we examined the remaining population of 2,221 paid services for select attributes and identified an additional 574 errors. As a result, we identified $13,867.15 paid by Ohio Medicaid for errors in our samples as an overpayment. While certain services had more than one error, only one finding was made per service. The non-compliance found during our examination and the basis for our findings is discussed below in more detail.

A. Provider Qualifications

According to Ohio Admin. Code § 5101:3-35-02(C), a MSP provider must employ or contract practitioners and shall ensure all employees and contractors who have in-person contact with recipients undergo and successfully complete criminal record checks pursuant to Ohio Rev. Code § 5111.032. In addition, Ohio Admin. Code § 5101:3-35-05(B) states qualified practitioners who can deliver services through the MSP must be a licensed occupational therapist, occupational therapy assistant, physical therapist, physical therapy assistant, speech-language pathologist, speech-language pathology aide, audiologist, audiology aide, registered nurse, licensed practical nurse, clinical counselor, counselor, independent social worker, social worker, psychologist or school psychologist.

There were 12 practitioners who furnished services in our sample. We verified through the Ohio e-License Center and the Ohio Department of Education that 11 of these practitioners were appropriately licensed and held a valid license during the examination period. We found one speech-language pathologist who was unlicensed during the period of January 16, 2011 through October 14, 2012. We concluded the four services in our sample rendered by this unlicensed practitioner were non-compliant and were included in the finding amount of $13,867.15.

We examined the Provider's personnel files and noted that all rendering practitioners were employees of the Provider. We found three practitioners in which the Provider did not maintain the results of the criminal records check. In those three instances, we obtained verification from the Ohio Department of Education that these practitioners successfully completed the required criminal records checks.

Recommendation:

The Provider should verify that all practitioners are properly licensed to render services. In addition, the Provider should ensure that required criminal record checks are completed and the results reviewed to verify the individual is eligible to provide services. The Provider should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

B. Individualized Education Program

According to Ohio Admin. Code § 5101:3-35-04(D)(5) services for which reimbursement is sought shall be clearly identified in the IEP of an eligible child, with the exception of the initial

assessment/evaluation. The eligible child's IEP shall include specific services to be used and the amount, duration and frequency of each service. *See* Ohio Admin. Code § 5101:3-35-05 (F)(3)

We reviewed 862 services in our sample and identified two services in which the Provider billed for a type of service not authorized on the IEP and three services in which the Provider billed for more units (amount) than were authorized on the IEP. The overpayments associated with these five errors were included in the finding amount of $13,867.15.

We noted that the IEPs were generally not clear in documenting the modality of the service. If the service was authorized on the IEP and the documentation generally supported the service reimbursed, we considered the service compliant; regardless of whether a group or an individual service was rendered.

Recommendation:

The Provider should develop and implement internal controls to ensure only services specified in the IEP are billed to Ohio Medicaid. The Provider should also ensure that IEPs are clear in documenting if services are to be rendered on an individual and/or group basis. The Provider should address the identified issues to ensure recipients receive the intended services and to ensure compliance with Medicaid rules and avoid future findings.

C. Service Documentation

Ohio Admin. Code § 5101:3-35-05(G) states that documentation for the provision of each service must be maintained and include the date the activity was provided, a description of the service, procedure and method provided, group size, duration in minutes or time in/time out and signature or initials of the person delivering the service. In addition, Ohio Admin. Code § 5101:3-35-05(C)(13) states that services provided on days or at times when the recipient is not in attendance are not allowable for reimbursement.

We limited our examination to ensuring documentation was present for services rendered, that the definition of the procedural code billed was consistent with the service documented (including limitations), the units billed matched the minutes documented, the date of the service on the documentation matched the service date billed and the recipient was in attendance on the date of service.

We reviewed 862 services in our random sample and identified the following errors:

- 178 services in which the units billed did not agree to the documented units;
- 13 services in which the session narrative on the service documentation was blank, a start and end time was documented, the "Present" field was marked "yes" but attendance records indicated the recipient was absent; and
- 8 services in which the session narrative on the service documentation clearly indicated the student or therapist was not present for the service but the "Present" field was marked "yes."

The overpayments associated with these 199 errors were included in the finding amount of $13,867.15.

Due to the errors noted in which the session narrative indicated the student was not present at the session we inquired with the Provider's billing company who indicated that the rendering practitioner was responsible for marking the "Present" field "yes" or "no" because the system is calendar based and a "yes" in the "Present" box results in the service being billed. It appeared as though some practitioners used the session narrative to document a recipient as absent or a therapist as out instead of changing the "Present" field to "no" from the default of "yes."

Because of the appearance of a weakness in the billing process and/or system, we expanded our testing to review the remaining population of paid services to determine if the student was present for the session and if the number of units billed agreed to the number of units per the service documentation. We examined the remaining 2,221 paid services and identified the following errors:

- 547 services in which the documentation did not support the units of service billed;
- 23 services in which the student was marked "yes" in the "Present" field however the session narrative indicated the student was not present;
- 2 services in which the student was marked "no" in the "Present" field and the session narrative also indicated the student was not present; and
- 2 services billed on Thanksgiving Day in 2011 with the location of service delivery listed as the school.

The overpayments associated with these 574 errors were included in the finding amount of $13,867.15.

Recommendation:

The Provider should develop and implement internal control procedures to ensure that all service documentation fully complies with requirements contained in Ohio Admin. Code § 5160-35-05 and that only services rendered are billed. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Provider Response:

"We have received and reviewed the draft findings report from the Auditor of State, Dave Yost and agree with the findings." The Provider also submitted a response from its billing vendor which can be obtained by contacting Solon City School District at the address listed on the first page of this report. We did not examine the Provider's response or the billing vendor's response and, accordingly, express no opinion on them.

Dave Yost • Auditor of State

SOLON CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 6, 2015

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