



Dave Yost • Auditor of State

**AKRON PUBLIC SCHOOLS
SUMMIT COUNTY**

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

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

RE: Akron Public Schools
Ohio Medicaid # 2894560

We were engaged to examine Akron Public Schools' (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 January 1, 2013 through December 31, 2015.

The Provider entered into an agreement (the Provider Agreement) with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients and to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Management of Akron Public Schools is responsible for its compliance with the specified requirements. The accompanying Compliance Examination Report identifies the specific requirements examined. Our responsibility is to express an opinion on the Provider'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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Provider complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Provider 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 opinion. Our examination does not provide a legal determination on the Provider's compliance with the specified 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 Provider rendered nursing services that were not authorized on an Individualized Education Program (IEP) and rendered nursing services without the required prescription.

Akron Public Schools
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

Opinion on Compliance

In our opinion, except for the effect of the matter described in the Basis for the Qualified Opinion paragraph, the Provider has complied, in all material respects, with the aforementioned requirements for the period of January 1, 2013 through December 31, 2015.

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.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

October 17, 2017

COMPLIANCE EXAMINATION REPORT

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 prevention, diagnosis, evaluation or treatment of an adverse health condition. See Ohio Admin. Code § 5160-1-01(A) and (B) 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. Providers must furnish such records for audit and review purposes. Ohio Admin. Code § 5160-1-17.2(D) and (E)

Eligible recipients of MSP services are children between the ages of three to 21 who have an IEP which includes services that are allowable under Medicaid. See Ohio Admin. Code § 5160-35-01(A)(5) The only provider of MSP services are city, local or exempted village school districts, state schools for the blind and deaf and community schools. Ohio Admin. Code § 5160-35-02(B)(1)

The Provider is a city school district located in Summit County, Ohio. During the examination period, the Provider received a total reimbursement of \$3,075,773.35 for the following MSP services:

- 92506 – Speech Evaluation;
- 92507 and 92508 – Speech therapy (individual and group);
- 92521, 92522 and 92523 - Evaluation of speech, fluency and sound production (comprehension and expression);
- 92526 - Treatment of Swallowing Dysfunction;
- 92551 - Screen Test Pure Tone Air Only;
- 92557 - Comprehensive Hearing Test;
- 92609 - Therapeutic Services for Use of Speech-Generating Device;
- 92610 - Evaluation of Swallowing Function;
- 96101 - Psychological Testing per Hour;
- 96110 - Developmental Screening with Interpretation and Report;
- 96150 and 96151- Health and Behavior Assessment and Re-Assessment;
- 96152 - Health and Behavior Intervention;
- 97001 and 97002 - Physical Therapy Evaluation and Re-Evaluation;
- 97003 and 97004 - Occupational Therapy Evaluation and Re-Evaluation;
- 97110 - Therapeutic Treatment 15 minutes each;
- 97112 - Neuromuscular Re-Education;
- 97116 - Gait Training Therapy;
- 97140 - Manual Therapy;
- 97150 - Therapeutic Procedures Group;
- 97530 - Therapeutic Activity Direct Contact 15 minutes each;
- 97532 - Development of Cognitive Skills 15 minutes each;
- 97533 - Sensory Integrative Techniques 15 minutes each;
- 97535 - Self-Care/Home Management Training 15 minutes each;
- 97660 and 97761 - Orthotic Management and Training and Prosthetic Training; and
- T1002 and T1003 – Registered Nurse (RN) and Licensed Practical Nurse (LPN) Services up to 15 minutes.

Background (Continued)

The total reimbursement of \$3,075,773.35 consisted of 82,011 services to 2,362 unique recipients on 76,623 recipient dates of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. All 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.

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 was limited to the following procedure codes with dates of service from January 1, 2013 through December 2015 for which the Provider received payment:

- 92507 – Treatment of Speech Individual;
- 92508 – Treatment of Speech Group;
- 96101 – Psychological testing;
- 97530 – Therapeutic Activity Direct Patient Contact 15 minutes each;
- T1002 – RN Services; and
- T1003 – LPN Services.

We obtained 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 any voids, services paid at zero, services with Medicare co-payments and third party payments.

From this population, we used a statistical sampling approach to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1). First, we extracted waiver nursing services (procedure codes T1002 and T1003) and stratified the services by RDOS into three strata using an approximate Pareto approach. Estimates of each stratum overpayment standard deviation and mean were made using the standard deviation of the actual amount paid per claim and an estimated 50 percent error rate. The final calculated sample size is shown in Table 1.

| Table 1: Nursing Services Sample | | |
|---|------------------------|--------------------|
| Universe/Strata | Population Size | Sample Size |
| RDOS with Amount Paid Less Than \$14.49 | 3,345 | 142 |
| RDOS with Amount Paid Equal to or Greater than \$53.03 and less than or equal to \$124.28 | 1,227 | 171 |
| RDOS with Amount Paid Greater than \$124.28 | 94 | 63 |
| Total: | 4,666 | 376 |

We then obtained detailed services for the 376 randomly sampled RDOS. This resulted in a sample size of 376 services.

Purpose, Scope, and Methodology (Continued)

From the remaining population, we extracted services in which the procedure code was billed more than \$100,000 during the examination period; specifically procedure codes 92507, 92508, 96101 and 97530 (therapy and testing services), and stratified the services by RDOS into five strata. Estimates of each stratum overpayment standard deviation and mean were made using the standard deviation of the actual amount paid per claim and an estimated 50 percent error rate. The final calculated sample size is shown in Table 2.

| Table 2: Therapy and Testing Services Sample | | |
|--|------------------------|--------------------|
| Universe/Strata | Population Size | Sample Size |
| RDOS with Amount Paid Less Than \$38 | 56,145 | 254 |
| RDOS with Amount Paid Less Than \$76 | 10,938 | 93 |
| RDOS with Amount Paid Less Than \$154 | 867 | 30 |
| RDOS with Amount Paid Less Than \$616 | 706 | 32 |
| RDOS with Amount Paid Greater than or Equal to \$616 | 21 | 21 |
| Total: | 68,677 | 430 |

We then obtained the detailed services for the 430 randomly sampled RDOS. This resulted in a sample size of 454 services.

An engagement letter was sent to the Provider setting forth the purpose and scope of the examination. An entrance conference was held during which the Provider described its documentation practices, personnel related procedures and billing process. Our fieldwork was initiated following the entrance conference. The Provider was given two opportunities to provide additional documentation and we reviewed all documents received for compliance.

Results

Nursing Services Sample

We examined 376 services in our statistical nursing sample and identified 204 errors.

Therapy and Testing Services Sample

We examined 454 services and identified 12 errors.

The non-compliance found and the basis for our results is described below in more detail.

A. Provider Qualifications

According to Ohio Admin. Code § 5160-35-02¹, a MSP provider shall employ or contract with licensed practitioners and shall require all employees and contractors who have in-person contact with recipients to undergo and successfully complete criminal records checks pursuant to Ohio Rev. Code § 5111.032. In addition, Ohio Admin. Code § 5160-35-05(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, practical nurse, clinical counselor, counselor, independent social worker, social worker, psychologist or school psychologist.

We tested the 99 practitioners who rendered services in the Nursing Sample and the Therapy and Testing Services Sample to ensure that all practitioners had background checks prior to rendering services and were licensed at the time of rendering services. We obtained background checks, and licensing verification through the Ohio e-License Center's website, the Ohio Department of Education's website and from the Provider.

We found no instances of non-compliance.

B. Service Documentation

Ohio Admin. Code § 5160-35-05(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 § 5160-35-05(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 description of the service was consistent with the procedural code billed, the documentation contained the signature or initials of the practitioner performing the service, the units billed matched the duration documented, the date of the service on the documentation matched the service date billed and the recipient was in attendance on the date and time of service.

Nursing Services Sample

We reviewed 376 services and identified 14 services in which the units billed exceeded the duration documented; four services in which the recipient was not in attendance at the time of service delivery; and one service in which an LPN rendered service, but the RN procedure code (T1002) was billed.

We also noted five instances where an RN rendered services, but the LPN procedure code (T1003) was billed.

Therapy and Testing Services Sample

We reviewed 454 services and identified five services where units billed exceeded the duration documented and seven instances where the recipient was not in attendance at the time of service delivery.

¹ Per Section 323.10.70 of Am. Sub. H. B. 59 of the 130th General Assembly, the Legislative Services Commission renumbered the rules of the Office of Medical Assistance within the Department of Job and Family services to reflect its transfer to ODM. The renumbering became effective on October 1, 2013. This renumbering effects all rules noted in the Results section of this report.

B. Service Documentation (Continued)

Recommendation:

The Provider should develop and implement internal controls to ensure that only services actually rendered are billed and that services are billed with the correct date of service. These issues should be addressed to ensure compliance with Medicaid rules and avoid future findings.

C. Service Authorization

Individualized Education Program

Services not indicated on the recipient's IEP prior to the provision of the service, with the exception of the initial assessment/evaluation, are not allowable for reimbursement. In addition, the IEP shall include specific services, including the amount, duration and frequency. Ohio Admin. Code §§ 5160-35-05(C)(11) and 5160-35-05(F)(3) We limited our examination to ensuring that the service rendered was authorized on the IEP prior to the provision of the service.

Prescription for Nursing Services

Ohio Admin. Code § 5160-35-05(F)(5) states that with the exception of evaluations and assessments, nursing services shall be prescribed by a Medicaid authorized prescriber acting within the scope of his or her practice under Ohio law who holds a current, valid license. We reviewed documentation for each recipient that received nursing service to ensure there was a prescription ordering the service.

Nursing Services Sample

We reviewed 376 services and identified 75 services that were not authorized on the IEP and 105 services for which there was no prescription from an authorized prescriber.

Therapy and Testing Services Sample

We reviewed 454 services and found no errors for service authorization.

Recommendation:

The Provider should develop and implement internal controls to ensure only nursing services prescribed by an authorized prescriber and services specified in the IEP are billed to Ohio Medicaid. The Provider should also maintain all records necessary for a period of six years from the date of receipt of payment based on those records, or until any audit initiated within the six year period is completed. 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.

Official Response

The Provider was afforded an opportunity to respond to this examination report. The Provider declined to submit an official response to the results noted above.

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AKRON PUBLIC SCHOOLS

SUMMIT 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
NOVEMBER 9, 2017**