



Dave Yost • Auditor of State



**CINCINNATI PUBLIC SCHOOLS  
HAMILTON COUNTY**

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# Dave Yost • Auditor of State

## **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: Cincinnati Public Schools  
Ohio Medicaid #2893972

We have examined Cincinnati 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, specifically speech therapy (individual and group) and physical/occupational therapy (individual and group) 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 Cincinnati 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 did not include the required elements in its service documentation. Specifically, the Provider failed to include a description of the service, procedure and method provided.

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***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 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 and the ODM, 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

November 13, 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 Individualized Education Program (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 and renders MSP services. During the examination period, the Provider billed using 36 different procedure codes for various physical, occupational and speech therapy services, behavioral health related services, nursing assessment/evaluation, and nursing services. The Provider received a total reimbursement of \$4,741,480.21 for 135,013 services rendered to 4,037 unique recipients.

The Provider records all of its services in an electronic health record (EHR) and the record is signed electronically by the rendering practitioner. The Provider contracted with a billing company that billed Ohio Medicaid 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 the Provider billed to Ohio Medicaid and received payment for during the period of January 1, 2013 through December 2015:

- 97150- Therapeutic Procedures Group 2 or more Individuals
- 97530- Therapeutic Activity Direct Patient Contact
- 92507- Treatment of Speech – Individual
- 92508- Treatment of Speech – Group 2 or more Individuals

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 services paid at zero. From this population, we extracted services billed with procedure codes 92507, 92508, 97150, and 97530. 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).

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After extracting services billed with procedure codes 92507, 92508, 97150, and 97530, we stratified the services by recipient date of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. We randomly selected 479 RDOS for examination. We then obtained the detailed services for the 479 sampled RDOS. This resulted in a sample size of 496 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. The Provider was given opportunities to provide additional documentation and we reviewed all documents received for compliance.

## Results

We examined 496 services in our random sample and identified 61 errors. The non-compliance identified is described below in more detail.

### A. Provider Qualifications

According to Ohio Admin. Code § 5160-35-02<sup>1</sup>, an 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 that qualified practitioners who can deliver MSP services 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 106 practitioners who rendered services in our statistical sample to ensure that all practitioners had background checks prior to rendering services and were licensed at the time of rendering services. We obtained licensing verification through the Ohio e-License Center's website, and background checks from the Provider and the Ohio Department of Education's website.

We determined that all practitioners were licensed during our examination period. We found that one practitioner did not have a background check on file.

### Recommendation:

The Provider should verify that all practitioners complete the required criminal records checks and should review and maintain the results to ensure that individuals are eligible to provide services.

### 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.

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<sup>1</sup> 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)**

We reviewed 496 services in the statistical sample for compliance with the above requirements and identified the following errors:

- 2 services where there was no supporting documentation;
- 43 services with no description of the service, procedure and method provided; and
- 1 service where the units billed exceeded the units documented.

### **Recommendation:**

The Provider should develop and implement internal controls to ensure that service documentation contains all of the required elements, and that services are correctly billed to Ohio Medicaid. These issues should be addressed to ensure compliance with the Medicaid rules.

## **C. Service Authorization**

### *Individualized Education Program (IEP)*

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. We reviewed 496 services and identified four services where no IEP was provided to support the service performed. We also found 10 services in which there was an IEP but the service rendered was not identified on it.

### **Recommendation:**

The Provider should develop and implement internal controls to ensure that only 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 compliance with Medicaid rules.

## **Official Response**

The Provider submitted an official response to the results of this examination which is presented in **Appendix A**. We did not examine the Provider's response and, accordingly, we express no opinion on it.

**APPENDIX A**



Education Center ★ P.O. Box 5381 ★ Cincinnati, OH 45201-5381

November 22, 2017

Cincinnati Public Schools has reviewed the independent auditor's report on compliance with requirements of the Medicaid program application to the Medicaid School Program. Prior to this audit, Cincinnati Public Schools had adopted a new software system and vendor to provide special education documentation and Medicaid school billing. The district had updated its procedures and policies regarding Medicaid school billing. The district feels the revised procedures and new software systems put in place have already assisted in ensuring compliance with Medicaid School Program (MSP).

Cincinnati Public Schools current software system utilized to document for Medicaid School Program funding, ensures compliance by including all required elements for MSP documentation; provider title, time, purpose, the scope of service, and methodology for all documented services. The system provides compliance checks to ensure all required fields are completed. The system also allows for the calculation of service minutes provided and along with the comprehensive year-end cost report this prevents any duplication of billing. Currently, all providers are required to submit BCI and FBI background checks prior to providing services and a copy of these are maintained in-house.

Cincinnati Public Schools current IEP software system captures those IEP's for which the district has 30 days to adopt or write a new annual IEP. This prevents any perceived gap where the service and IEP dates appear not to align. The district has random checks to monitor for related service provider signatures on all IEP's where services are provided. Cincinnati Public Schools has put into practice monthly compliance checks/screens, conducting a sampling of provider documentation to monitor compliance. An internal MSP team, which includes district administration, related service providers, the outside vendor meets monthly to review billing services.

Sincerely,

A handwritten signature in blue ink that reads "Margaret Hall". The signature is written in a cursive, flowing style.

Dr. Margaret Hall, PT, MEd., DPT  
Student Services Manager

2651 Burnet Avenue ★ Cincinnati, Ohio 45219-2551  
Phone: 513-363-0000



# Dave Yost • Auditor of State

**CINCINNATI PUBLIC SCHOOLS**

**HAMILTON 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  
DECEMBER 5, 2017**