



OHIO AUDITOR OF STATE  
**KEITH FABER**





**EDEN COUNSELING CENTERS, LLC  
FRANKLIN COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT BEHAVIORAL HEALTH SERVICES**

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

RE: Eden Counseling Centers, LLC  
*Ohio Medicaid Number: 0167485*

We examined Eden Counseling Centers, LLC (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation related to the provision of addiction services, specifically group counseling, intensive outpatient, medical/somatic, nursing, and physician established patient evaluation and management (E and M services) and service authorization for group counseling, intensive outpatient, medical/somatic, and nursing services with dates of service during the period of June 1, 2016 through June 30, 2018.

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 Eden Counseling Centers, LLC is responsible for 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 Disclaimer of Opinion***

The Provider declined to submit a signed representation letter acknowledging responsibility for maintaining records and complying with applicable laws and regulations regarding Ohio Medicaid reimbursement; establishing and maintaining effective internal control over compliance; making available all documentation related to compliance; and responding fully to our inquiries during the examination.

***Disclaimer of Opinion***

Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Provider's compliance with the specified Medicaid requirements for the period of June 1, 2016 through June 30, 2018.

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 identified improper Medicaid payments in the amount of \$1,902,571.61 for the period of June 1, 2016 through June 30, 2018. This finding plus interest in the amount of \$92,522.32 (calculated as October 8, 2019) totaling \$1,995,093.93 is due and payable to the ODM upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the ODM, which are not validated in the records, are subject to recoupment through the audit process. See Ohio Admin. Code § 5160-1-27. In addition, if fraud, waste and abuse<sup>1</sup> are suspected or apparent, the ODM and/or the office of the attorney general will take action to gain compliance and recoup inappropriate or excess payments in accordance with rule 5160-1-27 of the Administrative Code.

This report is intended solely for the informational use of the ODM 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

October 8, 2019

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<sup>1</sup> "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 constitutes 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**

### **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. See Ohio Admin Code § 5160-1-17.2(D) and (E)

During the examination period, the Ohio Medicaid Program paid for \$4,593,713 for 59,563 behavioral health addiction services.

### **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 for the engagement was limited to group counseling, intensive outpatient, medical/somatic, nursing and E and M services during the period of June 1, 2016 through June 30, 2018 paid to Eden Counseling Centers, LLC. The procedure codes and the associated level of services are listed as follows:

- 12,816 intensive outpatient program (procedure code H0015);
- 10,717 medical/somatic services (procedure code H0016);
- 5 group counseling (procedure code H0005);
- 1,209 licensed practical nurse (LPN) services up to 15 minutes (procedure code T1003);
- 789 E and M services- 15 minutes (procedure code 99213);
- 484 E and M services - 25 minutes (procedure code 99214);
- 121 registered nurse (RN) services up to 15 minutes (procedure code T1002); and
- 25 E and M services - 40 minutes (procedure code 99215).

We received the Provider's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed services with a paid amount of zero or with coinsurance.

From the remaining population, we extracted all group counseling, intensive outpatient, medical/somatic, nursing (procedure codes T10002 and T1003) and E and M services (procedure codes 99213, 99214, and 99215). We used a statistical sampling approach to examine services in order to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1). We developed three separate samples: simple random samples for group counseling and intensive outpatient services, and a third stratified medical services sample for medical/somatic, nursing and E and M services.

We calculated attribute sample sizes and selected the samples, see **Table 1**.

**Purpose, Scope and Methodology (Continued)**

| <b>Table 1: Sampling Methodology</b>       |                        |                    |
|--|------------------------|--------------------|
| <b>Samples</b>                             | <b>Population Size</b> | <b>Sample Size</b> |
| Group Counseling Services (H0005)          | 5,536                  | 100                |
| Intensive Outpatient Services (H0015)      | 12,816                 | 100                |
| <b>Medical Services Stratified Samples</b> |                        |                    |
| Medical/Somatic Services (H0016)           | 10,717                 | 100                |
| Nursing Services (T1002, and T1003)        | 1,330                  | 100                |
| E and M Services (99213, 99214, 99215)     | 1,298                  | 100                |
| <b>Total All Samples:</b>                  | <b>31,697</b>          | <b>500</b>         |

Note: The population for group counseling was 5,496 recipient dates of service and we selected 100 for the sample; however, each of the selected dates had only one group service so the table reflects the population and sample in terms of services.

A notification letter was sent to the Provider setting forth the purpose and scope of the examination. During the entrance conference the Provider described its documentation practices, personnel related procedures and billing process.

We compared the names of clinical staff identified in service documentation along with all identified administrative staff to the Office of Inspector General exclusion database and the ODM's exclusion or suspension list. We used the Ohio e-License Center website to verify the credentials of individuals identified as the rendering practitioner on the service documentation. We compared service documentation and treatment plans to applicable Medicaid rules in effect on the date of service.

In response to the preliminary results of this examination, the Provider responded that it did not have any additional documentation to address the identified non-compliance.

**Results**

The summary results of the compliance examination are shown in **Table 2**. While certain services had more than one error, only one finding was made per service. The noncompliance and basis for the findings is discussed below in more detail.

| <b>Table 2: Results</b>           |                          |                               |                              |                         |
|-----------------------------------|--------------------------|-------------------------------|------------------------------|-------------------------|
| <b>Samples</b>                    | <b>Services Examined</b> | <b>Non-compliant Services</b> | <b>Non-compliance Errors</b> | <b>Improper Payment</b> |
| Group Counseling Services (H0005) | 100                      | 58                            | 87                           | \$234,445.00            |

| <b>Table 2: Results</b>                    |                          |                               |                              |                         |
|--|--------------------------|-------------------------------|------------------------------|-------------------------|
| <b>Samples</b>                             | <b>Services Examined</b> | <b>Non-compliant Services</b> | <b>Non-compliance Errors</b> | <b>Improper Payment</b> |
| Intensive Outpatient Services (H0015)      | 100                      | 69                            | 106                          | \$1,119,082.00          |
| <b>Medical Services Stratified Samples</b> |                          |                               |                              |                         |
| Medical/Somatic Services (H0016)           | 100                      | 96                            | 312                          | \$547,067.00            |
| Nursing Services (T1002, and T1003)        | 100                      | 16                            | 38                           | \$407.42                |
| E and M Services (99213, 99214, 99215)     | 100                      | 18                            | 19                           | \$1,570.19              |
| <b>Total All Samples:</b>                  | 500                      | 257                           | 562                          | \$1,902,571.61          |

The improper payments for group counseling, intensive outpatient and medical/somatic services were calculated by applying overpayments identified in the statistically sampled services to the paid services in the population from which the sample was drawn. A detailed summary of the group counseling statistical sample and projection result is presented in **Appendix 1**. A detailed summary of the intensive outpatient statistical sample and projection result is presented in **Appendix II**. A detailed summary of the medical/somatic statistical sample and projection result is presented in **Appendix III**.

**A. Provider Qualifications**

Per Ohio Admin. Code § 5160-1-17.2(H), in signing the Medicaid provider agreement, the 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.

None of the identified clinical or administrative staff names matched the exclusion or suspension list.

We compared each individual identified as rendering practitioner to the qualifications contained in Ohio Admin. Code § 3793:2-1-08 for selected services with a date of service in 2016 and 2017 and to Admin. Code §§ 5160-8-05 and 5160-27-01 for 2018 dates of services.

Four individuals did not meet the required credentials for rendering the service. There is no Ohio E-license Center for two of the four individuals and the other two individuals obtained credentials during the examination period; however, they did not have the credential on the examined date of service.

*Group Counseling Sample* - An unqualified practitioner was listed on documentation for four group counseling services. These four errors are included in the projected improper payment of \$234,445.

*Intensive Outpatient Sample* - An unqualified practitioner was listed on the documentation for 13 intensive outpatient services. These 13 errors are included in the projected improper payment of \$1,119,082.

*Medical Services Sample: Medical/Somatic* – An unqualified practitioner was listed on documentation for 67 medical/somatic services. These 67 errors are included in the projected improper payment of \$547,067.

**A. Provider Qualification (Continued)**

**Recommendation:**

The Provider should develop and implement procedures to ensure that all personnel meet applicable requirements prior to rendering direct care services. The Provider should address the identified issue to ensure compliance with the Medicaid rules and avoid future findings.

**B. Service Documentation**

Documentation for group counseling, intensive outpatient, medical/somatic and nursing services in 2016 and 2017 shall include, but is not limited to, the date, time of day and duration of the service contact, the description of the service, and the signature and credentials of staff providing the service. See Ohio Admin. Code § 5122-27-04(E)

Documentation for 2018 services require all the above elements, with the exception of the original signatures and credentials of staff providing the service. See Ohio Admin. Code § 5160-08-05 (F)

E and M services should be within the scope of practice of practitioner, and performed by a physician enrolled as a Medicaid Provider. Ohio Admin. Code §§ 5160-04-01 and 5160-04-06 For E and M services, we reviewed documentation to reflect an office visit occurred on the date service. Per the Medicaid Information Technology System (MITS), all practitioners rendering the selected E and M services were enrolled as Medicaid providers.

For errors where units billed exceeded the documented duration, the improper payment was based on unsupported units.

*Group Counseling Services Sample*

The 100 services examined contained the following errors:

- 17 services in which the documentation did not include a description of the service;
- 11 services in which there was no documentation to support the payment;
- 3 services in which the documentation did not include the signature of the rendering practitioner;
- 3 services in which the units billed exceeded the documented duration; and
- 1 service in which the duration was not documented.

These 35 errors are included in the projected improper payment of \$234,445. In addition, the documentation for one service did not include time of day and for seven services it did not include the credentials of the rendering practitioner. We did not identify an overpayment for these eight errors.

*Intensive Outpatient Services Sample*

The 100 services examined contained the following errors:

- 25 services in which the documentation did not include a description of the service;
- 8 services in which there was no documentation to support the payment;
- 7 services in which the documentation lacked the signature of the rendering practitioner; and
- 2 services in which the duration was not documented.

## **B. Service Documentation (Continued)**

These 42 errors are included in the projected improper payment of \$1,119,082. In addition, the documentation for two services did not include time of day and for six services it did not include credentials of the rendering practitioner. We did not identify an overpayment for these eight errors.

### *Medical Services Sample: Medical/Somatic*

The 100 services examined contained the following errors:

- 30 services in which the documentation did not include a description of the service;
- 32 services in which the documentation did not include the signature of the rendering practitioner;
- 15 services in which the units billed exceeded the documented duration;
- 10 services in which there was no documentation to support the payment; and
- 5 services in which the duration was not documented.

These 92 errors are included in the projected improper payment of \$547,967. In addition, the documentation for 81 services did not include time of day and for 26 services did not include credentials of the rendering practitioner. We did not identify an overpayment for these 107 errors.

### *Medical Services Sample: Nursing*

The 100 services examined contained the following errors:

- 13 services in which the documentation did not include a description of the service;
- 2 services in which there was no documentation to support the payment; and
- 1 service in which the duration was not documented.

These 16 errors are included in the improper payment of \$407.42. In addition, the documentation for 13 services did not include time of day. We did not identify an overpayment for these 13 errors.

### *Medical Services Sample: Evaluation and Management*

The 100 services examined contained the following errors:

- 12 services in which the documentation did not include a description of the service;
- 6 services in which there was no documentation to support the payment; and
- 1 service in which the duration was not documented.

These 19 errors are included in the projected improper payment of \$1,570.19.

## **Recommendation:**

The Provider should develop and implement procedures to ensure that all documentation fully complies with the requirements contained in Ohio Medicaid rules. In addition, the Provider should implement a quality review process to ensure that documentation is present, complete and accurate prior to submitting claims for reimbursement and that claims are submitted with the correct Medicaid recipient number.

We also noted instances in which the service documentation did not include the credentials of the rendering practitioner; however, we obtained the credentials from other documentation. The Provider should ensure service documentation contains all required elements, including the credential of the rendering practitioner.

### **C. Authorization to Provide Services**

In 2016 and 2017, group counseling, intensive outpatient, medical/somatic, and nursing services required that within seven days of completion of the assessment or at the time of the first face-to-face contact following the assessment, Providers shall develop an individual treatment plan based on the assessment for clients receiving specific drug and alcohol prevention and treatment services. The treatment plan shall contain the frequency, duration and type of treatment services, the signature of the staff member that developed the plan, and the original signature of the recipient. See Ohio Admin. Code § 5122-27-03

Effective January 1, 2018, the requirements stated a treatment plan must be completed within five sessions or a month of admissions, whichever is longer, and must specify mutually agreed treatment goals and track responses to treatment. The 2018 rule does not require frequency, duration and type of treatment services be present on the plan. See Ohio Admin. Code § 5160-08-05 (F)

#### *Group Counseling Services Sample*

The 100 services examined contained 39 instances for which there was no authorization covering the date of service and one instance in which there was no authorization for this type of service. These 40 errors are included in the projected improper payment of \$234,445.

#### *Intensive Outpatient Services Sample*

The 100 services examined contained the following errors:

- 34 services in which there was no treatment plan to cover the service;
- 5 services in which the treatment plan was not signed by any credentialed staff; and
- 4 services in which the treatment plan did not authorize the service.

These 43 errors are included in the projected improper payment of \$1,119,082.

#### *Medical Services Sample: Medical/Somatic*

The 100 services examined contained the following errors:

- 35 services in which there was no treatment plan to cover the service;
- 10 services in which the treatment plan was not signed by any credentialed staff; and
- 1 service in which the treatment plan did not authorize the service.

These 46 errors are included in the projected improper payment of \$547,067.

#### *Medical Services Sample: Nursing*

The 100 services examined contained the following errors: eight services in which there was no treatment plan to cover the service; and one service in which the treatment plan did not authorize the service. These nine errors are included in the improper payment of \$407.42.

### **Recommendation:**

The Provider should develop and implement controls to ensure that all individual service plans and individual treatment plans are completed prior to services being rendered and include all the required elements. The Provider should address this issue to ensure compliance with Medicaid rules and avoid future findings.

**Official Response**

The Provider submitted an official response to the results of this examination which is presented in **Appendix IV**. The Provider described corrective actions that have been initiated, but it is beyond the scope of our examination to verify those statements and, accordingly, we express no opinion on the response.

**Auditor of State Conclusion**

We reviewed the official response and determined that no changes to the results reported were warranted.

**APPENDIX I**

**Summary of Sample Record Analysis  
 Group Counseling Services**

**POPULATION**

The population is all paid group counseling services (procedure code H0005), where the service was performed during the examination period and payment was made by ODM.

**SAMPLING FRAME**

The sampling frame was paid and processed claims from MITS. This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

**SAMPLE UNIT**

The sampling unit was recipient date of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service.

**SAMPLE DESIGN**

We used a simple random sample.

| <b>Description</b>  | <b>Results</b>    |
|---|-------------------|
| Number of Population RDOS Provided  | 5,496             |
| Number of Population RDOS Sampled   | 100               |
| Number of RDOS Sampled with Errors  | 58                |
| Number of Population Services   | 5,536             |
| Number of Population Services Sampled   | 100               |
| Number of Services Sampled with Errors  | 58                |
| Total Medicaid Amount Paid for Population   | \$515,975.66      |
| Amount Paid for Population Services Sampled   | \$8,658.79        |
| Estimated Overpayment Amount (Point Estimate)   | \$277,456         |
| Precision of Overpayment Estimate at 95% Confidence Level   | \$51,400 (18.53%) |
| Precision of Overpayment Estimate at 90% Confidence Level   | \$43,011 (15.50%) |
| Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) (Equivalent to the estimate used for Medicare Audits) | \$234,445         |

Source: Analysis of MITS information and the Provider's records

**APPENDIX II**

**Summary of Sample Record Analysis  
 Intensive Outpatient Services**

**POPULATION**

The population is all paid intensive outpatient services (procedure code H0015), where the service was performed during the examination period and payment was made by ODM.

**SAMPLING FRAME**

The sampling frame was paid and processed claims from MITS. This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

**SAMPLE UNIT**

The sampling unit was service line.

**SAMPLE DESIGN**

We used a simple random sample.

| <b>Description</b>  | <b>Results</b>     |
|---|--------------------|
| Number of Population Services   | 12,816             |
| Number of Population Services Sampled   | 100                |
| Number of Services Sampled with Errors  | 69                 |
| Total Medicaid Amount Paid for Population   | \$1,798,970.22     |
| Amount Paid for Population Services Sampled   | \$14,129.84        |
| Estimated Overpayment Amount (Point Estimate)   | \$1,264,016        |
| Precision of Overpayment Estimate at 95% Confidence Level   | \$173,200 (13.70%) |
| Precision of Overpayment Estimate at 90% Confidence Level   | \$144,934 (11.47%) |
| Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) (Equivalent to the estimate used for Medicare Audits) | \$1,119,082        |

Source: Analysis of MITS information and the Provider's records

**APPENDIX III**

**Summary of Sample Record Analysis  
 Medical Services Sample - Medical/Somatic Services**

**POPULATION**

The population strata is all paid Medicaid medical/somatic services (procedure code H0016), where the service was performed during the examination period and payment was made by ODM.

**SAMPLING FRAME**

The sampling frame was paid and processed claims from MITS. This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

**SAMPLE UNIT**

The sampling unit was a service line.

**SAMPLE DESIGN**

We used a stratified random sample.

| <b>Description</b>  | <b>Results</b>    |
|---|-------------------|
| Number of Population Services   | 10,717            |
| Number of Population Services Sampled   | 100               |
| Number of Services Sampled with Errors  | 96                |
| Total Medicaid Amount Paid for Population   | \$708,429.39      |
| Amount Paid for Population Services Sampled   | \$6,028.85        |
| Estimated Overpayment Amount (Point Estimate)   | \$609,714         |
| Precision of Overpayment Estimate at 95% Confidence Level   | \$74,865 (12.28%) |
| Precision of Overpayment Estimate at 90% Confidence Level   | \$62,647 (10.27%) |
| Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) (Equivalent to the estimate used for Medicare Audits) | \$547,067         |

Source: Analysis of MITS information and the Provider's records



360 South Grant Avenue  
Columbus, Ohio 43215  
614-398-3470

November 26, 2019

**VIA HAND DELIVERY**

Keith Faber  
Ohio Auditor of State  
Medicaid Contract Audit  
88 East Broad Street  
Columbus, OH 43215

**Re: Official Response to Examination of Selected Services of Eden Counseling Centers, LLC**

Dear Mr. Faber:

We are submitting this official response to the examination your office has conducted of selected services we have provided for the period of June 1, 2016 through June 30, 2018. Accordingly, please consider the following:

Eden Counseling Centers: Where Recovery Begins

Since 2015, Eden Counseling Centers, LLC (“Eden”) has been a leading provider of addiction treatment and mental health services. The mission of Eden is to enrich the lives of those in recovery by compassionately delivering individual based treatment programs in a diverse and inspiring environment that creates a safe place for healing for those suffering from substance use disorders. Eden’s vision is to transform its clients into engaged citizens who can make positive contributions to their communities.

Eden is on the front line of the battle being waged in the greater Central Ohio area to address the public health crisis caused by the opioid epidemic. Eden is a much-needed safety net provider of various counseling and treatment services in poor and underserved communities within the greater Central Ohio area. A substantial majority of our clients are covered under the Ohio Medicaid program and Eden does provide uncompensated care to many of its neediest clients.

The need for the services Eden provides is continuing to grow. Eden understands the challenges it faces day-to-day to combat the insidious disease of alcohol and drug addiction. Despite the tremendous challenges in addressing the opioid epidemic, Eden embraces its responsibility as a provider of these lifesaving and sustaining services. If Eden was not operating

in our community there would be a material degradation in access to such services for those suffering from addiction. Eden endeavors to treat its clients in a holistic manner to make a real difference.

In 2018 Eden treated 201 clients and year-to-date in 2019 Eden has treated 239 clients. The need for Eden's services is not abating. Eden is committed to substantial engagement in the community to continue to be a leading addiction and mental health services provider.

#### Time of Transition

The period of your examination of selected services coincide with a difficult time of transition of leadership within Eden. Throughout 2017 the owners of Eden continued to lose confidence in the then executive leadership of Eden including its board chair and CEO Earl Jennings and its compliance officer Greg Mazik. In late 2017, the owners of Eden elected a new board and attempted to reign in the activities of Messrs. Jennings and Mazik which several owners felt was putting Eden in a risky financial position. Messrs. Jennings and Mazik refused to comply with the direction of the new Eden board and the board then terminated the employment of Mr. Jennings on January 10, 2018 and Mr. Mazik on January 18, 2018. In addition to the termination of Messrs. Jennings and Mazik, over a several month period until approximately July of 2018, the entire senior leadership team of Eden effectively turned over.

Under the new service leadership team, Eden has refocused its energies on delivering high quality and cost-effective addiction treatment and mental health services in the community it serves. This transition has not been easy but through the tireless efforts of Eden's board, owners and new staff, Eden is well on its way to stabilizing its operations and continuing to make positive contributions in the community it serves. Some examples of improvements undertaken by new leadership of Eden includes, without limitation, the following:

- Restructuring clinical services including hiring new staff with improved credentials, created a new supervisory position to oversee process and compliance related matters and created new departments to ensure improvements of the entire workforce;
- Restructured the medical services including implementation of a new electronic health record system and improved clinical communication protocols;
- Enhanced training for the entire clinical staff;
- Implementation of updated and new policies and procedures to improve client outcomes; and
- Completed five (5) department retreats which has allowed staff to brainstorm and identify further opportunities to improve client care and outcomes and develop action plans;

These efforts have culminated in Eden completing its recertification with the Ohio Department of Mental Health and Addiction Services in August of 2019.

### Commitment to Compliance

With the transition to new leadership, it became apparent that a significant focus of time and resources needed to be committed to strengthening and reinforcing a culture of compliance within Eden. Eden has taken several meaningful steps to strengthen and reinforce its culture of compliance including, without limitation, the following:

- Daily internal department controls to ensure medical records support billing;
- Weekly clinician meetings with senior counselor to review client assessments and progress notes to ensure assignment to the appropriate level of care;
- Bi-weekly review by senior leadership of progress notes and compliance with treatment plans;
- Daily meetings of clinical director and senior counselor regarding clients;
- Staff training offered multiple times a year to cover critical areas for compliance; and
- Engagement of outside audit for billing compliance on an annual basis.

As part of this examination process, Eden recognizes that it has more work to do to strengthen and reinforce its compliance functions. Eden's future training and education will focus on the specific areas identified in the examination as being deficient including complete documentation to support Medicaid payment for all service categories we provide and ensuring that all practitioners providing services are appropriately qualified under Medicaid rules. Overall, Eden is fully committed to improving all internal controls over compliance to ensure it has an effective compliance program that addresses all Medicaid requirements.

### Supplemental Documentation

Eden has never been the subject of an examination by the Auditor of the State of Ohio or any other enforcement authority. Eden did not understand the prospect of being subject to an overpayment demand based on an extrapolation calculation related to certain error rates in billing when it started this process.

When Eden received the letter from your office dated September 12, 2019, it had no way to know the significant error rates to be identified in your report and the material impact in the total overpayment. Despite the notice in such letter that it could provide additional information by a certain date, Eden did not understand the impact on your conclusions had it procured additional information or documentation at that time.

After going through the exit interview with your staff and better understanding the deficiencies to be cited in your report, Eden redoubled its efforts to scour its records including the prior electronic records system to locate documents or information that may address certain

deficiencies. Based on these efforts, Eden has located and hereby submits additional documentation organized as follows:

- Group Counseling – See Exhibit A attached herewith;
- Physician Services – See Exhibit B attached herewith;
- Medical Somatic Services – See Exhibit C attached herewith.

In the event you will not accept and consider this information at this time, Eden will present it through the appeal process. However, given the nature of the information and potential to alter your findings, we felt it appropriate to submit this information with our official response so it could potentially be considered before you finalized your report.

### Conclusion

Eden is proceeding in taking its mission and vision forward with a renewed focus on its internal controls and compliance obligations under Medicaid and all third-party payer programs. Eden will continue to bring value and support to the community including uncompensated care to many of our neediest clients. In order to continue our mission and fulfill our vision, it is imperative that Eden remain strong financially. The results of this examination could prove to be devastating to Eden's financial viability and potentially lead to the loss of a much needed addiction treatment and mental health services provider at a time our community can least afford such loss.

We are hopeful that the State of Ohio will understand our plight and the new path we are on and will be willing to work with us to address the results of your examination in a manner that is appropriate to the current public health crisis which Eden battles every day. We look forward to working to resolve this matter in an expeditious manner.

If you have any questions or require any further information or clarification of anything in this official response, please let me know.

Sincerely,



Edith Waugh  
Chair, Board of Directors  
Eden Counseling Centers, LLC

cc: Kristi S. Erlewine, Chief Auditor (via email only)

# OHIO AUDITOR OF STATE KEITH FABER



**EDEN COUNSELING CENTERS LLC**

**FRANKLIN 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  
FEBRUARY 11, 2020**