



OHIO AUDITOR OF STATE
KEITH FABER



**L & J HEALTHCARE, LLC
DBA ADAMS RECOVERY CENTER
CLERMONT COUNTY**

TABLE OF CONTENTS

Title	Page
Independent Auditor's Report	1
Compliance Examination Report	3
Recommendation: Service Documentation.....	6
Matter for Further Study	6
Appendix: Official Response	8

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OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit
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Columbus, Ohio 43215
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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: L & J Healthcare, LLC dba Adams Recovery Center
Ohio Medicaid Number: 0058026

We examined L & J Healthcare, LLC (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of the following addiction services: individual counseling, group counseling, case management and intensive outpatient services, during the period of July 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 payments made by Ohio Medicaid. Management of L & J Healthcare, LLC 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.

L & J Healthcare, LLC dba Adams Recovery Center
Independent Auditor's Report on
Compliance with the Requirements of the Medicaid Program

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, the Provider billed units of group counseling that exceeded the documented duration of service delivery.

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, 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 \$1,720.01. This finding plus interest in the amount of \$87.76 (calculated as of April 15, 2020) totaling \$1,807.77 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

This report is intended solely for the information and use of the Provider, 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

April 15, 2020

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

Per 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 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(E)

The Provider is identified as an Ohio Department of Mental Health and Addiction Services licensed treatment program and received \$9,150,771 in payments for 100,133 services during the examination period. The Provider billed these services to 811 unique recipients. The Provider does business as Adams Recovery Center and is identified as such on the Provider Agreement and has registered this trade name with the Ohio Secretary of State.

Purpose, Scope, and Methodology

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

The scope for the engagement was limited to fee-for-service group counseling, individual counseling, case management and intensive outpatient services as specified below for which the Provider billed with dates of service from July 1, 2016 through June 30, 2018 and received payment. The Provider had one service paid by a managed care organization that was excluded from this examination.

We received the Provider's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. From the total paid services population, we extracted all individual counseling (H0004, 90832, 90834, 90837), group counseling (H0005, 90853), case management (H0006) and intensive outpatient services (H0015). 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 a two-stage sampling approach for the four selected service categories. We extracted the recipients that received all the four aforementioned services. From this subpopulation, we randomly selected 30 recipients. For each of the 30 recipients, we randomly selected four from each of the service categories. If a recipient had fewer than four services in a service category, we selected all of the services to examine. The calculated sample sizes are shown in **Table 1**.

We also selected six recipients who were not included in the sampled population and reviewed supporting documentation for selected dates of services within the examination period to ensure the documentation was consistent with the supporting documentation found in our samples. We found no inconsistencies.

Purpose, Scope, and Methodology (Continued)

Table 1: Sample Sizes		
Universe	Population Size	Sample Size
Individual Counseling (H0004, 90832, 90834, 90837)	5,334	95
Group Counseling (H0005, 90853)	25,461	113
Case Management (H0006)	30,361	120
Intensive Outpatient (H0015)	11,406	103
Total All Samples	72,562	431

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 sent preliminary results to the Provider and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

Results

The summary results of the compliance examination are shown in **Table 2**. The noncompliance and basis for the findings is discussed below in more detail.

Table 2: Results				
Samples	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Individual Counseling	95	3	3	\$259.33
Group Counseling	113	9	9	\$723.52
Case Management	120	5	5	\$101.64
Intensive Outpatient	103	4	4	\$635.52
Total All Samples	431	21	21	\$1,720.01

A. Provider Qualifications

Exclusion or Suspension List

Per Ohio Admin. Code § 5160-1-17.2, 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.

We identified 38 licensed practitioners and 15 unlicensed practitioners in the service documentation for the selected services and compared their names to the Office of Inspector General exclusion database and the ODM's exclusion or suspension list. We found no matches on the exclusion or suspension list.

We also compared identified administrative staff names to the exclusion or suspension list and found no matches.

A. Provider Qualifications (Continued)

Group Counseling, Individual Counseling and Intensive Outpatient Services

For the 38 licensed practitioners, we verified via the Ohio e-License Center website that their licenses were current and valid on the first date of service found in our selected services and were active during the remainder of the examination period.

We then compared each individual identified as a rendering practitioner to the qualifications contained in Ohio Admin. Code § 5160-30-01 and 3793:2-1-08 for the 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.

All of the licensed individuals met the required qualifications for the service rendered. We did not examine qualifications for the individuals identified on the case management service documentation.

B. Service Documentation

Documentation for individual counseling, group counseling, case management, and intensive outpatient services in 2016 and 2017 required 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 §§ 5160-27-02 and 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 § 5160-8-05(F)

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

Individual Counseling Sample

The 95 services examined contained three services in which there was no documentation to support the payment. These errors are included in the improper payment of \$259.33.

Group Counseling Sample

The 113 services examined contained eight services in which the units billed exceeded the documented duration and one service in which there was no documentation to support the payment. These nine errors are included in the improper payment of \$723.52.

Case Management Sample

The 120 services examined contained four services in which the units billed exceeded the documented duration and one service in which there was no documentation to support the payment. These five errors are included in the improper payment of \$101.64.

Intensive Outpatient Sample

The 103 services examined contained three services in which there was no documentation to support the payment and one service in which the units billed exceeded the documented duration. These four errors are included in the improper payment of \$635.52.

B. Service Documentation (Continued)

Recommendation:

The Provider should implement a quality review process to ensure that documentation is present, complete and accurate prior to submitting claims for payment. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. Authorization to Provide Services

In 2016 and 2017, group counseling, individual counseling, case management and intensive outpatient 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 §§ 5160-27-02 and 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. See Ohio Admin. Code § 5160-8-05(F) In addition, general reimbursement principles for the Medicaid program include that the service is determined medically necessary as defined in rule 5160-1-01 of the Ohio Admin. Code. Conditions of medical necessity include that the service meets generally accepted standards of medical practice and is clinically appropriate in its type, frequency, extent, duration, and delivery setting.

All of the 95 individual counseling, 113 group counseling, 120 case management, and 103 intensive outpatient services examined were authorized by a signed treatment plan.

Matter For Further Study

The Provider had Medicaid recipients sign a Suboxone Fee Agreement which required \$350 for Suboxone maintenance therapy to cover services rendered by a Dr. Aziz. The Provider explained the use of the form stating that Dr. Aziz is a contracted physician to administer this treatment service. Dr. Aziz invoices the Provider and the Provider collects the fee from the recipient and sends the entire payment to Dr. Aziz. The agreement also indicates that recipient has to remain in the Provider's housing program to receive this service.

Medicaid allows a Provider to bill a recipient for a Medicaid covered service in lieu of submitting a claim only when certain conditions are met. See Ohio Admin. Code § 5160-1-13.1 These conditions include: that the provider explains to the Medicaid recipient that the service is a covered Medicaid service and other Medicaid providers may render the service at no cost to the individual and that prior to each date of service for the specific service rendered, the provider notifies the recipient in writing that the provider will not submit a claim to ODM for the service. The statement used by Adams Recovery Center did not reflect these required conditions.

Recommendation:

ODM should further investigate this practice to ensure that recipients are properly informed of the Medicaid covered services and requirements of recipient liability.

L & J Healthcare, LLC dba Adams Recovery Center
Independent Auditor's Report on
Compliance with the Requirements of the Medicaid Program

Official Response

The Provider submitted an official response to the results of this examination which is presented in the **Appendix**. 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.

L & J Healthcare, LLC dba Adams Recovery Center
Independent Auditor's Report on
Compliance with the Requirements of the Medicaid Program

Appendix



April 21, 2020

Keith Faber, Auditor of State of Ohio
88 East Broad State, 4th Floor
Columbus, OH 43215

Mr. Faber:

In response to our recent Ohio Medicaid examination, L&J Healthcare, LLC dba Adams Recovery Center (Medicaid # 0058026) would like to assure you that we have taken the necessary steps to address the issues raised in the audit.

Specifically, regarding service documentation, we have implemented a new quality-review process to ensure documentation is present, complete and accurate prior to submitting claims for payment. While we continue to perform monthly audits of our charts, we have added:

- A full-time medical records clerk located in our administrative office. This new position is responsible for daily review of our clinicians' service notes, from which we bill Medicaid. These notes are reviewed by the clerk within 48 hours of service provision, which adds a new internal control to ensure compliance with Medicaid requirements.
- A new daily process for verifying service notes before sending them directly to our medical records clerk. The new process eliminates a step from our previous procedure, thus minimizing room for error while creating a secure internal checkpoint.

Additionally, our executive leadership team serves as another internal control and is researching the costs and feasibility of implementing electronic recordkeeping.

With regard to the "Matter for Further Study," we want to clarify that our business agreement with Dr. Aziz for Suboxone treatment formally ended Dec. 31, 2017. As of January 2018, in alignment with the behavioral health redesign, all of our clients who receive Suboxone services do so through the medical doctors employed by Adams Recovery Center. Every client is informed that this is a Medicaid-covered service.

Thank you for the opportunity to address these issues. Please don't hesitate to contact me if you would like further clarification.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Highlander", with a long, wavy underline.

Lori Highlander, President
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lhighlander@adams-recovery-center.org

OHIO AUDITOR OF STATE KEITH FABER



L & J HEALTHCARE, LLC DBA ADAMS RECOVERY CENTER

CLERMONT 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
MAY 5, 2020**