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**ASHTABULA AREA CITY SCHOOL DISTRICT
ASHTABULA COUNTY**

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

Patrick Colucci, Superintendent
Ashtabula Area City School District
2630 West 13th Street
Ashtabula, Ohio 44004

RE: *Medicaid Provider Number 2899725*

Dear Mr. Colucci:

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.

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Independent Auditor's Report on
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Basis for Adverse Opinion

Our examination disclosed that in a material number of instances the Provider was reimbursed for services not authorized and/or more units than were authorized on the IEP and billed for services rendered by ineligible practitioners.

Adverse Opinion on Compliance

In our opinion, the Provider has not 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 \$13,129.85. This finding plus interest in the amount of \$787.97 totaling \$13,917.82 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, 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 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

October 2, 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 ASHTABULA AREA 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 prevention, diagnosis, evaluation or treatment of an adverse health condition. See Ohio Admin. Code § 5160-1-01 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 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(E)

The Provider is a local education agency that furnished occupational therapy services, physical therapy services, speech language pathology and audiology services, mental health, and skilled nursing services through the MSP during our examination period. The Provider received a total reimbursement of \$290,592.25 for 13,297, services to 367 unique recipients on 427 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 during the period of July 1, 2011 through June 30, 2013. These procedure codes included:

- 90804, 90806, 90810, 90812, 90853 – Psychotherapy (individual and group)
- 90847 – Family psychotherapy
- 92506 – Speech evaluation
- 92507 and 92508 – Speech therapy (individual and group)
- 92526 – Treatment of swallowing dysfunction and/or or function for feeding
- 92610 – Evaluation of swallowing function
- 96101 – Psychological testing
- 96152 and 96153 – Health and behavioral intervention (individual and group)
- 97001 and 97002 – Physical therapy evaluation and re-evaluation
- 97003 and 97004 – Occupational therapy evaluation and re-evaluation
- 97012 – Traction, mechanical
- 97032 – Electrical stimulation
- 97110, 97112, 97140, 97150 and 97530 – Occupational or physical therapy procedure, activities and techniques (individual and group)

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- 97532 – Cognitive skills development
- 97533 – Sensory integrative techniques
- H0004 – Behavioral health counseling and therapy
- T1003 – Licensed Practical Nursing (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 all nursing services (procedure code T1003) to test as an exception test. The remaining sub-population was stratified into two separate years, July 1, 2011 through June 30, 2012 and July 1, 2012 through June 30, 2013. A simple random sample of 20 recipients was selected from each strata. We then obtained all of the detailed services for each recipient selected for each strata. We reviewed this sample of 972 services 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 8, 2015, setting forth the purpose and scope of the examination. An entrance conference was held at the Provider's office on April 15, 2015. During the entrance conference the Provider described its documentation practices and process for submitting billing to the Ohio Medicaid program. Our fieldwork was performed following the entrance conference. A list of missing records was supplied to the Provider during the course of our examination.

Results

We examined five LPN services (procedure code T1003) as an exception test and identified 15 errors. As a result, we identified the total amount paid by Ohio Medicaid during our examination period for procedure code T1003, or \$815.88, as an overpayment.

We also examined 972 services in our statistical sample and identified 755 errors resulting in an overpayment of \$12,313.97.

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 described 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, practical nurse, clinical counselor, counselor, independent social worker, social worker, psychologist or school psychologist.

Statistical Sample

We verified through the Ohio e-License Center and the Ohio Department of Education (ODE) that the 22 rendering practitioners held a valid and current license during the period they rendered services in our sample.

We found seven practitioners who did not have a criminal record check and two practitioners who had a criminal record check after our examination period. While we obtained verification from ODE that 13 practitioners successfully completed the required criminal record checks, the Provider

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submitted only one criminal record check so we were unable to gain assurance that the Provider routinely ensured the background checks were successfully completed.

Due to the errors identified, nine of the 22 rendering practitioners in our sample were ineligible to render services during our examination period. As a result, we concluded that the 528 services rendered by these practitioners were non-compliant and are included in the finding amount of \$12,313.97.

In addition, we originally could not verify the licensure status for six practitioners as their full names were not documented or provided to us. We also could not verify that these individuals had criminal records checks. The Provider stated it contracts with outside agencies for some practitioners and was unable to submit information regarding the name, licensure status or criminal record checks for these six contracted practitioners. The Provider was given multiple opportunities over a five month period to provide additional documentation before we compiled our results. After receipt of the draft report, the Provider submitted the names of these six practitioners. We re-performed our test and the results above reflect these updates.

Exception Test

We were unable to test any of the qualifications of the practitioner who rendered the five LPN services because the full name of the practitioner was not documented or provided to us. The claims indicated that these services were rendered at the school. The Provider stated that the practitioner (nurse) was not an employee or under contract but rather was used as a MSP practitioner at the request of the recipient's parent. As a result we concluded that the five LPN services were non-compliant and are included in the finding amount of \$815.88.

Recommendation:

The Provider should implement a process to ensure it can identify all practitioners rendering MSP services. The Provider should also verify that all practitioners meet licensure requirements and successfully complete the required criminal record checks. The Provider should address the identified issues to ensure the safety of students in addition to compliance with Medicaid rules and to avoid future findings.

B. Supervision Requirements

Ohio Admin. Code § 5101:3-35-05(B)(1) states licensed occupational therapy assistants and physical therapy assistants shall practice under the general supervision of a licensed occupational therapist or licensed physical therapist who is employed or contracted by the Provider. Ohio Admin. Code § 5101:3-35-01(A)(6) defines general supervision as the licensed practitioner being immediately available, but not necessarily present, and requires an interactive process which shall include initial and periodic face-to-face evaluation of the recipient; routine consult with the assistant before the start of treatment and upon any modification of the IEP; and review of all assessments, IEPs, intervention and the changes in intervention. Finally, services that are not provided under the appropriate supervision and/or at the appropriate direction of a licensed practitioner are not allowable per Ohio Admin. Code § 5101:3-35-05(C)(14).

Statistical Sample

To test compliance with the requirement for general supervision of licensed occupational and physical therapy assistants we obtained an understanding of the Provider's process for supervision. The Provider stated the licensed therapist reviewed and countersigned service documentation, observed treatment sessions and engaged in oral communication with the assistant.

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There were four physical therapy assistants and six occupational therapy assistants in our sample. Six of the assistants were concluded to be ineligible to render services because they did not have a criminal record check prior to rendering services. We tested the remaining four assistants for the general supervision requirements and noted no errors.

C. Individualized Education Programs

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)

Statistical Sample

We reviewed 972 services in our statistical sample and identified 25 services in which there was no IEP to support the service and 77 services which were not authorized on the IEP and/or exceeded the authorized minutes. The overpayments associated with these 102 errors were included in the finding amount of \$12,313.97.

We also identified 108 services in which an individual service was authorized on the IEP but a group service was rendered. Although these services are non-compliant, they did not result in an overpayment because the reimbursement for the group service was less than the reimbursement would have been for an individual service.

Exception Test

The five LPN services were reportedly rendered to one recipient. We found that nursing services were not identified on this recipient's IEP. The overpayments associated with these five errors were included in the finding amount of \$815.88.

Recommendation:

The Provider develop and implement internal controls to ensure every recipient has an IEP that authorizes the amount, frequency and duration of services and clearly indicates the modality for the services. In addition, the Provider should establish a process ensure only services specified in the IEP are billed to Ohio Medicaid. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

D. 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.

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Statistical Sample

We reviewed 972 services in our statistical sample and identified the following errors:

- 9 services in which there was no documentation;
- 5 services in which the recipient was absent or not enrolled on the date of service; and
- 2 services in which the units billed did not match the units documented.

The Provider had documentation which included a start and end time and a detailed treatment note for three services in which school attendance records show that the recipient was not enrolled in the School District. The Provider had a complete IEP for this recipient and the claims indicated that the services were rendered at the school. The Provider could not explain this discrepancy.

The overpayments associated with these 16 errors were included in the finding amount of \$12,313.97.

We also identified one service in which the procedural code billed was not consistent with the service documented. This non-compliance did not result in an overpayment because the procedure code billed was at a lower rate than the procedure code that should have been billed.

The Provider did not maintain attendance records for its preschool program. Due to this we could not verify that preschoolers were in attendance on the billed dates of service.

Exception Test

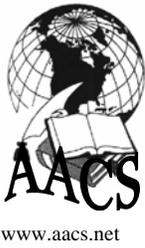
The Provider did not submit documentation for any of the LPN services for which it received reimbursement. The overpayments associated with these five errors were included in the finding amount of \$815.88.

Recommendation:

The Provider should develop and implement internal controls to ensure that all service documentation fully complies with requirements contained in Ohio Admin. Code § 5160-35-05. In addition, the Provider should implement an attendance tracking system for its preschool program and a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Provider Response:

The Provider was afforded an opportunity to respond to this report which is included on the following page of this report. We did not examine the Provider's response and, accordingly, we express no opinion on it.



ASHTABULA AREA CITY SCHOOLS

2630 West 13th Street • Ashtabula, Ohio 44004-2405 • Phone: (440) 992-1200

Board of Education

Steve J. Candela • Alfred R. DeCato, M.D. • Kimberly A. George • James A. Hudson • Julius J. Petro, Sr.

“Ipsa Scientia Potestas Est – Knowledge Itself Is Power”

Lessons Learned from the Ohio Medicaid/Contract Audit (Fiscal Years 12 & 13) And Strategies for Improvement for Fiscal Years 16 and beyond

1. Contracted Services Providers

When contracts are submitted to the Board of Education for approval, copies of licenses and BCI/background checks of all employees for those services will be submitted at that time. Copies of those contracts, licenses and background checks will be held in the fiscal office. By October 15th 2015, all related service staff will be current on BCI/background checks. All district employees will continue to have their licenses and criminal record checks on file in the Superintendent's Office.

2. Attendance/Extended School Year Services

There will be a sign in sheet for every day extended school year services are held. We will no longer rely on the notes being the sole attendance marker. Preschool does take daily attendance during the school year. Itinerate services must also be documented on an attendance sheet.

3. Related Service Goals on IEPs

Because of student absences and the therapists need to make up sessions for some students, related service staff will be asked to write the amount of times for a monthly basis and adhere to individual or group sessions.

4. Better IEP/ETR writing

ETRs/IEPs must be signed and titled and services billed must be within the dates of these documents. If related services are amended, a copy of the IEP amendment must be sent to the special education office.

5. Training for Staff

Beginning in August of 2015, the Ashtabula Area City Schools has entered into a new contract with HPC for the Ohio School Medicaid Program. Training for staff will occur as part of this new contract. In addition to training on the billing system, staff will also be trained on the Ohio School Medicaid Rules. Members from the Superintendents, Treasurers, and Special Education Offices will also be present at this training.

Submitted by Lori A. Riley, Assistant Superintendent

10/2/15

Superintendent: Patrick E. Colucci, Sr.

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ASHTABULA CITY SCHOOLS

ASHTABULA 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 20, 2015**