STURGES CLINIC, INC.
RICHLAND COUNTY

MEDICAID COMPLIANCE EXAMINATION REPORT

FOR THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2011

Dave Yost · Auditor of State

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STURGES CLINIC, INC.
RICHLAND COUNTY

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

Sturges Clinic, Inc.
Yogesh K. Desai, M.D., Owner
146 Marion Avenue
Mansfield, Ohio 44903

RE: *Medicaid Provider Number 0961008*

Dear Dr. Desai:

We examined your (the Provider's) compliance with specified Medicaid requirements for provider qualifications and service documentation related to the provision of physician services during the period of January 1, 2009 through December 31, 2011. We confirmed the Provider's licensure status during the examination period. We tested service documentation to verify that there was support for the date of service and the procedure code for services billed to and 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. 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 specified Medicaid requirements referred to above. 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 date of service for psychiatric diagnostic interviews as recorded on the claim submitted to Ohio Medicaid did not agree to the date of service delivery as documented in the clinical record.

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 pertaining to provider qualifications and service documentation for the period of January 1, 2009 through December 31, 2011.

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 Ohio Medicaid for services rendered between January 1, 2009 and December 31, 2011 in the amount of $192.11. This finding plus interest in the amount of $16.25 totaling $208.36 is due and payable to the Ohio Department of Medicaid (ODM) upon ODM's 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 through its Fiscal Operations, 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 Medicaid Fraud Control Unit of 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

November 10, 2014

[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 Sturges Clinic, Inc.

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 diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. *See* Ohio Admin. Code § 5160-1-01(A). 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 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 professional medical group that originally included two physicians; however, since 2009 the group has only included one of the original group members, Dr. Desai. During the examination period, the Provider furnished physician services to 327 Medicaid recipients and received total reimbursement of $91,313.60 for 2,112 physician services rendered on 797 dates of service. The rendering provider on all paid services was Dr. Desai. From the total paid services there were 791 inpatient psychotherapy 20-30 minutes with evaluation and management services, totaling $39,494.63, rendered to 158 recipients and 248 psychiatric diagnostic interview examinations, totaling $20,128.95, rendered to 220 recipients. Dr. Desai has a separate Medicaid provider number which is 0899407 and there were no services identifying this as the pay to provider number during the examination period.

Ohio Medicaid recipients may be eligible to receive physician services, including services provided for the diagnosis and treatment of mental and emotional disorders, provided by an individual currently licensed under the laws of Ohio or of another state to practice as a doctor of medicine and surgery or as a doctor of osteopathic medicine and surgery. *See* Ohio Admin. Code § 5160-4-01

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 inpatient psychotherapy 20-30 minutes with evaluation and management services (procedure code 90817) and psychiatric diagnostic interview examinations (procedure code 90801), that the Provider rendered to Medicaid recipients and received payment during the period of January 1, 2009 through December 31, 2011.

We received the Provider's claims history from the Medicaid Management Information System (MMIS) and the Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed any voids, services paid at zero, and services with third-party or Medicare co-payments. From the remaining subpopulation we extracted all inpatient psychotherapy 20-30 minutes with evaluation and management services (procedure code 90817) and psychiatric diagnostic interview examinations (procedure code 90801), and selected a simple random sample from each of those procedure codes 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 September 10, 2014, setting forth the purpose and scope of the examination. An entrance conference was held with the Provider on September 17, 2014. During the entrance conference the Provider described its documentation practices and processes for submitting billing to the Ohio Medicaid program. Our fieldwork was performed following the entrance conference.

Results

We reviewed a statistical sample of 259 inpatient psychotherapy 20-30 minutes with evaluation and management services (procedure code 90817), and identified two errors resulting in an overpayment of $99.86. We also reviewed a statistical sample of 77 psychiatric diagnostic interview examinations (procedure code 90801), and identified 39 errors. One of these errors resulted in an overpayment of $92.25.

A. Provider Qualifications

Ohio Admin. Code § 5101:3-4-01(A)(1) states that a physician is an individual currently licensed under state of Ohio law or under another state's law to practice medicine and surgery or osteopathic medicine and surgery.

We verified through the Ohio e-License Center that the rendering physician for all services in our examination period is a doctor of medicine licensed by the State Medical Board of Ohio and that the license was in active status during our examination period.

B. Service Documentation

Medicaid providers are required to keep records that establish medical necessity and disclose the type, extent, and level of service rendered to Medicaid recipients according to Ohio Admin. Code § 5101:3-1-27(A). In addition, Ohio Admin. Code § 5101:3-4-06(B) states providers must select and bill the appropriate code. We limited our examination to ensuring documentation was present for services rendered and that the documentation generally supported the service but we did not evaluate the accuracy of the billing code used.

Statistical Sample of Inpatient Psychotherapy with Evaluation and Management Services

Procedure code 90817 is defined as insight oriented, behavior modifying and/or supportive individual psychotherapy, in an inpatient hospital, partial hospital or residential care setting, approximately 20 to 30 minutes face-to-face with the patient with medical evaluation and management services.

Our review of 259 inpatient psychotherapy with evaluation and management services found two dates of service in which there were no clinical documentation to support the paid service. These two errors resulted in an overpayment of $99.86.

Statistical Sample of Psychiatric Diagnostic Interview Examinations

Procedure code 90801 is defined as including a history, mental status, and a disposition, and may include communication with family or other sources, ordering and medical interpretation of laboratory or other medical diagnostic studies.

Our review of 77 psychiatric diagnostic interview examinations found one instance in which there was no service documentation. This error resulted in an overpayment of $92.25.

We also noted 38 instances where the date of service billed did not agree to the date on the service documentation or the date of dictation. In nine instances the date of dictation was noted but there was no documentation of the actual date the recipient was seen by the physician. In the remaining 29 instances, the date of service billed was within one to three days of the documented service date. The Provider explained that the date of service billed was generally the hospital date of admission. For these 38 instances, we reviewed the Provider's reimbursements and noted no additional reimbursement for the same service for the same recipient within a one month period surrounding the date of service in our test. Accordingly, we identified no overpayments.

Recommendation

The Provider should ensure that only services rendered and supported by service documentation are billed to Ohio Medicaid. The Provider should also ensure that the service documentation clearly indicates the date services are rendered and that the actual date of service is submitted with the claim for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Provider Response

We did not receive an official response from the Provider to the results of this compliance examination; however, the Provider did remit a payment to ODM for the $208.36 finding identified.

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RICHLAND 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
JANUARY 27, 2015

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