THE BUCKEYE RANCH, INC.
FRANKLIN COUNTY

COMPLIANCE EXAMINATION REPORT

FOR THE PERIOD JULY 1, 2013 THROUGH JUNE 30, 2016

Dave Yost • Auditor of State

THE BUCKEYE RANCH, INC.
FRANKLIN COUNTY

TABLE OF CONTENTS

Title	Page
Independent Auditor's Report	1
Compliance Examination Report	3
Recommendation: Provider Qualifications	8
Recommendation: Service Documentation	10
Recommendation: Authorization to Provide Services	11
Appendix I: Summary of Partial Hospitalization Services Sample	12
Appendix II: Summary of Behavioral Health Counseling and Treatment Services Sample	13
Appendix III: Summary of Intensive Outpatient Services Sample	14
Appendix IV: Provider's Response	15

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT COMMUNITY MENTAL HEALTH AND ALCOHOL AND DRUG ADDICTION SERVICES

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

RE: The Buckeye Ranch, Inc.
Ohio Medicaid Numbers: 2864235 and 2863718

We were engaged to examine The Buckeye Ranch, Inc.'s (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization for partial hospitalization and behavioral counseling and treatment related to the provision of community mental health services and intensive outpatient services related to provision of alcohol and drug addiction services during the period of July 1, 2013 through June 30, 2016. Management of The Buckeye Ranch, Inc. is responsible for the Provider's compliance with the specified requirements.

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.

Our responsibility is to express an opinion on the Provider's compliance with the specified Medicaid requirements based on conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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. 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 gave several differing explanations of how it ensured non-licensed individuals meet requirements to render partial hospitalization services. Due to this, we were not able to satisfy ourselves as to the Provider's compliance with statutory requirements in this area.

Disclaimer of Opinion

Because of the matter described 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 requirements for the period of July 1, 2013 through June 30, 2016.

We found improper payments in the amount of $2,525,432.80. This finding is due and payable to the ODM upon it's 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 waste and abuse[1] 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 or 5160-26-06 of the Administrative Code.

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.

Dave Yost
Auditor of State

August 2, 2018

[1] "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

Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. The rules and regulations that providers must follow are specified in the Ohio Administrative Code and the Ohio Revised Code. The fundamental concept underlying the Medicaid program is medical necessity of services: defined as services which are necessary for the prevention, diagnosis, evaluation or treatment of an adverse health condition. *See* Ohio Admin. Code § 5160-1-01(A) and (B)

Medicaid providers must "maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions" for a period of six years from receipt of payment or until any audit initiated within the six year period is completed. Providers must furnish such records for audit and review purposes. Ohio Admin Code § 5160-1-17.2 (D) and (E)

During the examination period, the Provider received a total reimbursement from the Ohio Medicaid program of $31,149,828 billed under two provider numbers.

Mental Health Services

Under the number 2864235, the Provider is identified as an Ohio Department of Mental Health (ODMH) certified community mental health agency and received reimbursement of $29,656,976 for 299,159 mental health services rendered on 206,808 recipient dates of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. The services included the following:

- $1,228,761 for assessments by a non-physician (procedure code H0031);
- $1,967,203 for pharmacologic management with psychotherapy (procedure code 90863);
- $2,530,091 for community psychology support treatment (procedure code H0036);
- $10,686,129 for partial hospitalization services (procedure code S0201); and
- $13,244,792 for behavioral health counseling and treatment (procedure code H0004).

Addiction Services

Under the number 2863718, the Provider is identified as an Ohio Department of Alcohol and Drug Addiction Services (ODADAS)[2] certified treatment program and received reimbursement of $1,492,853 for 15,146 alcohol and drug addiction services rendered on 13,014 RDOS. These services included the following:

- $91 for crisis intervention-outpatient (procedure code H0007);
- $3,850 for assessment (procedure code H0001);
- $47,446 for case management (procedure code H0006);
- $87,137 for group counseling by clinician (procedure code H0005);
- $229,961 for behavioral health counseling and treatment, 15 minute (procedure code H0004);
- $222,060 for lab analysis of specimens (procedure code H0003); and
- $902,308 for intensive outpatient program (procedure code H0015).

The Provider had a third Medicaid provider number (2281061) that was inactive and there were no payments made to it during our examination period.

[2] In 2013, the State of Ohio consolidated the Department of Alcohol and Drug Addiction Services (ODADAS) with the Department of Mental Health (ODMH) into one single agency, the Department of Mental Health and Addiction Services.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's 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[3].

Mental Health Services

The scope of the engagement for mental health services was limited to an examination of partial hospitalization (procedure code S0201) and behavioral health counseling and treatment services (procedure code H0004). We received the Provider's claims history from the Medicaid database and removed all services with third party co-payments and services with a paid amount of zero.

From this population, we extracted all partial hospitalization and behavioral health counseling and treatment services rendered during the period of July 1, 2013 through June 30, 2016 and received payment for from Ohio's Medicaid program. We extracted 30 partial hospitalization services rendered prior to one recipient's date of birth (Age 0 Exception Test) and 92 dates of service billed with more than one unit of partial hospitalization service (Greater than One Unit Exception Test) and tested these 122 services in their entirety.

From the remaining population of partial hospitalization and behavioral health counseling and treatment services, an estimate of the population overpayment standard deviation was made using the standard deviation of the actual amount paid per service and a 50 percent error rate as a conservative estimate of the potential error rate. The estimate of error mean and standard deviation was done using the U.S. Department of Health and Human Services/Office of Inspector General's (HHS/OIG) RATSTATS[4] statistical program. This program was also used to calculate the sample sizes required. For behavioral health counseling and treatment services, we used RDOS as the sampling unit and we used service line as the sampling unit for partial hospitalization. The final calculated sample sizes are shown in **Table 1**.

Table 1

	Population	Sample Size	Services
Partial Hospitalization (S0201)	**91,269**	**383**	**383**
Behavioral Health Counseling and Treatment (H0004)	**131,614 (RDOS)**	**640 (RDOS)**	**728**

We selected simple random samples for the two services. For behavioral health counseling and treatment, we obtained the detailed services for the sampled RDOS.

[3] Per Section 323.10.70 of Am. Sub. H. B. 59 of the 130th General Assembly, the Legislative Services Commission renumbered the rules of the Office of Medical Assistance within the Department of Job and Family services to reflect its transfer to ODM. The renumbering became effective on October 1, 2013.

[4] RAT-STATS is a free statistical software package that providers can download to assist in a claims review. The package, created by OIG in the late 1970s, is also the primary statistical tool for OIG's Office of Audit Services.

Purpose, Scope, and Methodology (Continued)

Addiction Services

The scope of the engagement for drug and alcohol services was limited to an examination of intensive outpatient services (procedure code H0015) rendered during the period of July 1, 2013 through June 30, 2016 and received payment for from Ohio's Medicaid program. We received the Provider's claims history from the Medicaid database and removed all services with a paid amount of zero and then extracted all intensive outpatient services.

From this population, an estimate of the population overpayment standard deviation was made using the standard deviation of the actual amount paid per service and a 50 percent error rate as a conservative estimate of the potential error rate. The estimate of error mean and standard deviation was done using the RATSTATS statistical program. This program was also used to calculate the sample size required. We selected a simple random sample of 363 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 and process for submitting billing to the Ohio Medicaid program. During fieldwork we reviewed service documentation and personnel records.

The Provider was given opportunities to submit additional documentation and we reviewed all documents received for compliance.

Results

Partial Hospitalization Services - Age 0 Exception Test

We examined 30 services for one recipient in which the date of service was before the recipient's date of birth as identified in the Medicaid system. We found that the date of birth reported in the Medicaid system was inaccurate; however, we found 12 errors resulting in an improper payment of $1,168.10.

Partial Hospitalization Services - Greater than One Unit Exception Test

We examined 92 services in which more than one unit of service was billed on the same day and found 66 errors resulting in an improper payment of $8,176.70.

Partial Hospitalization Sample

We examined 383 services and found 80 errors. The overpayments identified for 78 of 383 services from our statistical random sample were projected across the Provider's population of paid services (less services extracted for exception tests). This resulted in a projected overpayment amount of $2,171,197 with a precision of plus or minus $431,006 at the 95 percent confidence level. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits), and a finding was made for $1,809,755. This allows us to say that we are 95 percent certain that the population overpayment amount is at least $1,809,755. A detailed summary of our statistical sample and projection results is presented in **Appendix I**.

Results (Continued)

Behavioral Health Counseling and Treatment Sample

We examined 728 services and found 43 errors. The overpayments identified for 40 of 640 RDOS (43 of 728 services) from our statistical random sample were projected across the Provider's total population of paid RDOS. This resulted in a projected overpayment amount of $910,000 with a precision of plus or minus $306,735 at the 95 percent confidence level. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits), and a finding was made for $652,694. This allows us to say that we are 95 percent certain that the population overpayment amount is at least $652,694. A detailed summary of our statistical sample and projection results is presented in **Appendix II**.

Intensive Outpatient Sample

We examined 363 services and found 30 errors. The overpayments identified for 30 of 363 services from our statistical random sample were projected across the Provider's population of paid services. This resulted in a projected overpayment amount of $74,571 with a precision of plus or minus $24,962 at the 95 percent confidence level. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits), and a finding was made for $53,639. This allows us to say that we are 95 percent certain that the population overpayment amount is at least $53,639. A detailed summary of our statistical sample and projection results is presented in **Appendix III**.

While certain services had more than one error, only one finding was made per service. The non-compliance and the basis for the findings are described below in more detail.

Rule References

Ohio Admin. Code §§ 5160-30-01, 5160-30-02, 5160-30-03 and 5160-30-04, in effect during this examination period, contained the requirements to be an eligible provider, coverage and limitation policies, billable services, and reimbursement for alcohol and other drug treatment services. These Medicaid rules reference specific sections of Ohio Admin. Code § 3793:2 related to alcohol and drug addiction programs delivered by ODADAS certified/licensed programs as requirements for services billed to the ODM.

A. Provider Qualifications

Ohio Admin. Code § 5122-29-30, Appendix B identifies the practitioners who may render partial hospitalization and behavioral health counseling services which includes, but is not limited to, the following:

- Marriage & family therapist (including independent, and temporary licenses);
- Social worker (including independent and temporary licenses) ;
- Licensed school psychologist (including assistant, intern or trainee);
- Professional clinical counselor (including professional counselor, counselor trainee and provisional licenses);
- Psychologist (including aide, assistant, fellow, intern, postdoctoral trainee, resident or trainee);
- Qualified mental health specialist (QMHS); and
- Social worker assistant.

A. Provider Qualifications (Continued)

Ohio Admin. Code § 3793:2-1-08 identifies the practitioners who may render intensive outpatient program services which includes, but is not limited to, the following:

- Psychologist or psychology assistant;
- Chemical dependency counselor assistant;
- Certified or licensed chemical dependency counselor;
- Licensed chemical dependency counselor III or licensed independent chemical dependency counselor;
- School psychologist;
- Students enrolled in an accredited education institution in Ohio performing an internship or field placement;
- Individuals licensed with the state of Ohio Counselor, Social Worker and Marriage and Family Therapist Board; and
- Nurses registered with the Ohio Board of Nursing.

We compiled the names and professional credentials for the 269 practitioners who rendered services in the exception tests and samples. Except for individuals qualified as a QMHS, we searched the Ohio e-License Center website for the professional license of each practitioner to ensure that it was current and valid on the first date of service in our testing and was active during remainder of examination period or for the duration of time the practitioner rendered services.

Ohio Admin. Code § 5122-29-30, Appendix A states that a QMHS is an individual who has received training for or education in mental health competencies and who has demonstrated, prior to or within 90 days of hire, competencies in basic mental health skills. The Provider gave several conflicting explanations of how it ensured non-licensed individuals meet requirements to render billable partial hospitalization services as a QMHS. We attempted to test each explanation however; the Provider could not demonstrate its full compliance with this rule.

The Provider designates unlicensed individuals eligible to render billable partial hospitalization services a "group leader" (QMHS) and unlicensed individuals who are not eligible to render billable services a "youth leader" (non-QMHS). The Provider stated all individuals start as a non-QMHS and was not able to provide the date individuals transitioned to a QMHS. This transition is not considered a promotion so there is no change in status in the payroll system.

The Provider stated all new hires of The Buckeye Ranch are required to attend an orientation program and a crisis intervention program and take a posttest after completion of each. The combination of these programs appears to provide education in basic mental health skills but the posttests do not include demonstration of the specific six required competencies. The Provider's position was that by taking the posttests, competency with the six basic skills is implicit. We do not find that answering true/false questions is the same as a demonstration of competency. We also noted some crisis intervention posttests were not dated, graded and/or otherwise reviewed. We requested orientation content posttests for all QMHSs who rendered partial hospitalization services in our samples but did not receive these. At one point the Provider indicated that its "PH Staff Development Plan" included a demonstration of skills required for a QMHS but we noted the exact same skills are required of a non-QMHS. In fact, the Provider indicated that two QMHSs who rendered services in our samples and for whom it had documentation of attendance in the orientation program and crisis intervention program were not eligible.

Due to the differing explanations we received and the multiple documents which were not in line with the explanations, we could not gain assurance that the Provider fully complied with statutory requirements in this area.

A. Provider Qualifications (Continued)

In addition, the Provider's inability to fully demonstrate compliance with requirements of unlicensed individuals who render partial hospitalization services raises questions about the quality of services billed to Ohio Medicaid. Per Ohio Admin. Code § 5122-29-06(A), partial hospitalization is an intensive, structured, goal oriented, distinct and identifiable treatment service that utilizes multiple mental health interventions that address the individualized mental health needs of the client. The majority of partial hospitalization services we tested were rendered by unlicensed individuals who appear to have received education in some basic mental health skills however the Provider was unwilling to produce the posttests from a portion of the education.

After our repeated site visits to obtain additional documentation and our review of all documents that were supplied to us, we limited our testing to determine if there was evidence that a QMHS attended the orientation program and crisis intervention program. This evidence included employee training tracking sheets and/or crisis intervention posttests. We found one QMHS who had no evidence of attending the orientation program. We identified improper payments for services rendered by this individual until the time a licensed social worker license was obtained, as well as all services rendered by the two individuals the Provider identified as ineligible.

Partial Hospitalization Services - Age 0 Exception Test

We examined 30 services and found one service rendered by a practitioner that did not meet the required qualifications. This one error is included in the improper payment of $1,168.10.

Partial Hospitalization Services - Greater than One Unit Exception Test

We examined 92 services and found two services rendered by a practitioner that did not meet the required qualifications. These two errors are included in the improper payment of $8,176.70.

Partial Hospitalization Sample

We examined 383 services and found six services rendered by a practitioner that did not meet the required qualifications. These six errors were used in the overall projection of $1,809,755.

Behavioral Health Counseling and Treatment Sample

We found no errors.

Intensive Outpatient Sample

We found no errors.

Recommendation:

The Provider should improve its internal controls to ensure all personnel meet applicable requirements prior to rendering direct care services and maintain appropriate documentation to demonstrate that all requirements have been met. In addition, the Provider should review the applicable requirements for a QMHS and ensure its training program is compliant. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation

Providers must maintain documentation of mental health services which includes, but is not limited to, clinical records for a covered service, time keeping that indicate time span of the service, the type of service provided, location the service was rendered, description of the services rendered, assessment and description of progress made, or lack thereof, as well as the signature of the rendering provider and supervisory signature, if applicable. *See* Ohio Admin. Code § 5122-27-06(C)

In addition, Ohio Admin. Code § 5122-29-06(F) states that when more than one partial hospitalization service is rendered to a recipient in a single day, the services must be separate and distinct from each other.

For alcohol and drug addiction services, providers must follow the same rules regarding service documentation as listed above, with the exception of documenting progress made, or lack thereof. *See* Ohio Admin. Code § 3793:2-1-06(P)

The Provider conducted an internal review in 2016 of a selection of partial hospitalization services and found inappropriate billing and incomplete documentation. After the review, the Provider developed a corrective plan to address these problems and self-reported its non-compliance to the ODM. The ODM subsequently requested this compliance examination.

We reviewed all documentation submitted by the Provider to verify that there was documentation which supported the services and units billed and contained the required elements.

In addition to the instances of non-compliance noted below, we found that the service documentation was generally brief, vague, and minimally met the requirements. We also found the non-compliance across all procedure codes we tested. Due to this, we believe the improper payments identified to be conservative figures.

Partial Hospitalization Services - Age 0 Exception Test

We examined 30 services for one recipient in which the date of service appeared to be prior to the recipient's date of birth. After comparing the social security number from the Provider's records to the Medicaid system, we determined that the date of birth in the Medicaid system was incorrect. We found 10 services in which the supporting documentation was a copy of documentation supporting a service for another recipient (cloned service note) and one service in which the activity documented was not an allowable activity. These 11 errors are included in the improper payment of $1,168.10.

Partial Hospitalization Services - Greater than One Unit Exception Test

We examined 92 services and identified the following errors:

- 58 instances in which the service documentation was a copy of the service documentation for another recipient (cloned service note);
- 3 instances in which the service documentation did not contain the required elements;
- 2 services in which the documentation for one unit did not contain the required elements and documentation for the second unit was a cloned service note; and,
- 1 service in which a second unit was billed in error (duplicate billing).

These 64 errors are included in the improper payment of $8,176.70.

B. Service Documentation (Continued)

Partial Hospitalization Sample

We examined 383 services and identified the following errors:

- 29 instances in which the service documentation was a cloned service note;
- 24 services in which the documentation did not contain the required elements;
- 17 services in which the activity documented was not an allowable activity; and
- 3 instances in which the service documentation for one of the services that comprised the unit did not contain the required elements and documentation for a second service that comprised the unit was a cloned service note.

These 73 errors were used in the overall projection of $1,809,755.

Behavioral Health Counseling and Treatment Sample

We examined 728 services and identified the following errors:

- 6 instances in which the service documentation was a cloned service note;
- 4 services in which the supporting documentation did not contain the required elements;
- 2 services in which the units billed were not supported by the documentation; and
- 1 service in which the activity documented was not an allowable activity.

These 13 errors were used in the overall projection of $652,694.

Intensive Outpatient Sample

We examined 363 services and found 28 services in which documentation was a cloned service note and two services in which the documentation did not include a description of the service rendered.

These 30 errors were used in the overall projection of $53,639.

Recommendation:

The Provider should develop and implement procedures to ensure that all service 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 ensure that staff does not use cloned service documentation. The identified issues should be addressed to ensure compliance with Medicaid rules and to avoid future findings.

C. Authorization to Provide Services

Individual Service Plan

Per Ohio Admin. Code § 5122:27-05(A), providers of mental health services must create an individual service plan that identifies specific mental health needs and the name and/or description of all services being provided. The plan must contain the signature of the staff member that developed the plan, the date of development and evidence of supervision, as applicable.

C. Authorization to Provide Services (Continued)

Individualized Treatment Plan

Per Ohio Admin. Code § 3793:2-1-06 (L), providers of addiction services must create an individualized treatment plan that identifies the frequency, duration and types of treatment services. The plan must contain the dated signature and credentials of the staff member who completed the plan and is qualified to provide alcohol and drug addiction services.

Partial Hospitalization Services - Age 0 Exception Test

We found no errors.

Partial Hospitalization Services - Greater than One Unit Exception Test

We found no errors.

Partial Hospitalization Sample

We examined 383 services and found one service in which there was no individual service plan to authorize the service. This one error was used in the overall projection of $1,809,755.

Behavioral Health Counseling and Treatment Sample

We examined 728 services and found 30 services in which the individual service plan was not signed by a qualified practitioner.

These 30 errors were used in the overall projection of $652,694.

Intensive Outpatient Sample

We found no errors.

Recommendation:

The Provider should ensure that individual service plans and treatment plans are prepared as required and contain the signature of a qualified practitioner and supervisor when required. The identified issues should be addressed to ensure compliance with Medicaid rules and avoid future finding.

Official Response

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

Appendix I

Summary of Partial Hospitalization Services Sample

POPULATION
The population is all paid non-exception Medicaid partial hospitalization services (procedure code S0201), less certain excluded services, net of any adjustments, where the service was performed and payment was made by ODM.

SAMPLING FRAME
The sampling frame was paid and processed claims from MITS. These systems contain all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLE UNIT
The sampling unit was paid Medicaid claims by service line. A service line is defined as an individual line on a claim.

SAMPLE DESIGN
We used a simple random sample.

Description	Results
Number of Population Services Provided	91,269
Number of Population Services Sampled	383
Number of Services Sampled with Errors	78
Total Medicaid Amount Paid for Population	$10,661,131.89
Actual Amount Paid for Population Services Sampled	$44,738.23
Projected Population Overpayment Amount (Point Estimate)	$2,171,197
Precision of Overpayment Estimate at 95% Confidence Level	$431,006 (+/- 19.85%)
Precision of Overpayment Estimate at 90% Confidence Level	$361,442 (+/-16.65%)
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (calculated by subtracting the 90% overpayment precision from the point estimate)(equivalent to method used for Medicare audits)	$1,809,755

Source: AOS analysis of MITS information and the Provider's medical records

Appendix II

Summary of Behavioral Health Counseling and Treatment Sample

POPULATION
The population is all paid Medicaid behavioral health counseling and treatment services (procedure code H0004), less certain excluded services, net of any adjustments, where the service was performed and payment was made by ODM.

SAMPLING FRAME
The sampling frame was paid and processed claims from MITS. These systems contain all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLE UNIT
The sampling unit was a recipient date of service (RDOS).

SAMPLE DESIGN
We used a simple random sample.

Description	Results
Number of Population RDOS Provided	131,614
Number of Population RDOS Sampled	640
Number of RDOS Sampled with Errors	40
Number of Population Services Provided	151,199
Number of Population Services Sampled	728
Number of Services Sampled with Errors	43
Total Medicaid Amount Paid for Population	$13,244,791.92
Actual Amount Paid for Population Services Sampled	$63,188.76
Projected Population Overpayment Amount (Point Estimate)	$910,000
Precision of Overpayment Estimate at 95% Confidence Level	$306,735 (+/- 33.71%)
Precision of Overpayment Estimate at 90% Confidence Level	$257,306 (+/-28.28%)
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (calculated by subtracting the 90% overpayment precision from the point estimate)(equivalent to method used for Medicare audits)	$652,694

Source: AOS analysis of MITS information and the Provider's medical records

Appendix III

Summary of Intensive Outpatient Services Sample

POPULATION
The population is all paid non-exception Medicaid intensive outpatient services (procedure code H0015), less certain excluded services, net of any adjustments, where the service was performed and payment was made by ODM.

SAMPLING FRAME
The sampling frame was paid and processed claims from MITS. These systems contain all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLE UNIT
The sampling unit was paid Medicaid claims by service line. A service line is defined as an individual line on a claim.

SAMPLE DESIGN
We used a simple random sample.

Description	Results
Number of Population Services Provided	6,591
Number of Population Services Sampled	363
Number of Services Sampled with Errors	30
Total Medicaid Amount Paid for Population	$902,307.90
Actual Amount Paid for Population Services Sampled	$49,694.70
Projected Population Overpayment Amount (Point Estimate)	$74,571
Precision of Overpayment Estimate at 95% Confidence Level	$24,962 (+/- 33.47%)
Precision of Overpayment Estimate at 90% Confidence Level	$20,932 (+/-28.07%)
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (calculated by subtracting the 90% overpayment precision from the point estimate)(equivalent to method used for Medicare audits)	$53,639

Source: AOS analysis of MITS information and the Provider's medical records

the buckeye ranch
we raise hope

5665 Hoover Road
Grove City, Ohio 43123

Tel: 614.875.2371
Fax: 614.539.6477

www.buckeyeranch.org

August 24, 2018

Via E-Mail (kserlewine@ohioauditor.gov) and Regular U.S. Mail

Dave Yost
Ohio Auditor of State
88 East Broad Street, Ninth Floor
Columbus, Ohio 43215-3506

Re: The Buckeye Ranch, Inc.
Ohio Medicaid Numbers: 2864235 and 2863718

Dear Mr. Yost:

I am writing in response to the revised draft of the *Independent Auditor's Report on Compliance with Requirements of the Medicaid Program Applicable to Select Community Mental Health and Alcohol and Drug Addiction Services* (the "Report") which your office provided to us on or about July 23, 2018. As we discussed during the August 15 exit conference with Ms. Couts and Ms. Erlewine, The Buckeye Ranch does not intend to challenge your office's findings in the Report and will promptly repay the amount indicated. However, I do wish to take this opportunity to respond on behalf of The Buckeye Ranch.

The Buckeye Ranch has served the youth of Central and Southwestern Ohio for nearly 60 years. We are justifiably proud of having provided important behavioral health services to the state's children and young adults. Last year, The Buckeye Ranch's dedicated staff served 4,841 children and their families at 7 locations. As a non-profit organization, we rely on the generosity of donors to care for those we serve, and accordingly, do want to respond to some of the statements and findings in the Report.

First, I want to reiterate that the series of events that led to your office's audit of The Buckeye Ranch was initiated after a 2016 *internal* audit revealed that The Buckeye Ranch appeared to have failed to fully comply with certain regulatory requirements under Ohio's Medicaid Program. We promptly notified the Ohio Department of Medicaid of our initial findings, and ultimately worked with outside experts to complete a thorough self-review of our practices. A significant component of this self-review was a careful look at our practices, and addressing

areas where we noted that improvement was needed. Ultimately, The Buckeye Ranch has grown and improved as a result of the process.

Following the completion of our self-review, the Department of Medicaid asked your office to conduct an independent audit of The Buckeye Ranch. Consistent with its initial report and self-review, The Buckeye Ranch's commitment to full cooperation and forthrightness continued during your office's audit. Our staff worked hard to provide your auditors with the information that they requested so that they could complete their work.

Most significantly, the findings in the Report related to documentation at The Buckeye Ranch. Specifically, documentation of training received by our staff and the demonstration of their competencies in order to establish their qualification to provide services, and documentation of some services provided. The Buckeye Ranch regrets that certain documentation relating to these issues may not have been clearly and fully compliant with applicable regulations, and has taken steps to address these issues. We also regret confusion that resulted from differing practices used to document staff training and demonstrated competencies, and that those varying practices complicated the audit process. As your office's audit concludes, our staff has appreciated the comments and feedback provided by your staff which will help The Buckeye Ranch avoid such issues in the future.

As I mentioned, we are proud of the work that we perform at The Buckeye Ranch. We are especially proud the positive impact we have had and continue to have on the lives of thousands of children and young adults in Ohio. We regret that in some cases the training and documentation practices may be viewed to have fallen short of what is required by applicable regulations, but we are happy to have corrected those issues going forward. The Buckeye Ranch looks forward to the next 60 years, and remains committed to providing much-needed services to Ohio's children and young adults.

Best regards,

D. Nicholas Rees

cc: Rachel Jones, Ohio Department of Medicaid
Carol Rolf, Esq.

Dave Yost • Auditor of State

THE BUCKEYE RANCH

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
SEPTEMBER 11, 2018

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov