



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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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: Recovery Works Healing Center LLC  
Ohio Medicaid Numbers: 0147925 & 0229755 NPI: 1376910505 & 1801316971

We were engaged to examine compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the select payments for intensive outpatient program (IOP) services during the period of January 1, 2019 through December 31, 2020 for Recovery Works Healing Center LLC (Recovery Works).

We also tested the following select payments:

- All instances in which an office visit for the evaluation and management of a patient (office visit) or a registered nursing (RN) service was reimbursed for the same recipient and date of service as a therapeutic injection;
- All instances in which more than one urinalysis was reimbursed for the same recipient and date of service;
- All instances in which an IOP service and more than one hour of group counseling were reimbursed for the same recipient and date of service;
- All services rendered by one selected RN on a selected date of service; and
- All other services reimbursed on behalf of the same recipient and date of service as the sampled IOP services.

Recovery Works entered into an agreement with the Ohio Department of Medicaid (the Department) to provide services to Medicaid recipients and to adhere to the terms of the provider agreement, Ohio Revised Code, Ohio Administrative Code, and federal statutes and rules, including the duty to maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions. Management of Recovery Works is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements examined. Our responsibility is to express an opinion on Recovery Works compliance with the specified Medicaid requirements based on our examination.

### ***Internal Control over Compliance***

Recovery Works 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 Recovery Works internal control over compliance.

***Basis for Disclaimer of Opinion***

Attestation standards established by the American Institute of Certified Public Accountants (AICPA) require that we request a written statement from Recovery Works confirming, to the best of its knowledge and belief, its representations made to us during the course of our examination. We requested that Recovery Works provide such a statement but they declined to do so.

***Disclaimer of Opinion***

Our responsibility is to express an opinion on Recovery Works compliance with select Medicaid requirements based on conducting the examination in accordance with attestation standards established by the AICPA. Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on Recovery Works compliance with the specified Medicaid requirements for the period of January 1, 2019 through December 31, 2020.

Our testing was limited to the specified Medicaid requirements detailed in the Compliance Section. We did not test other requirements and, accordingly, we do not express an opinion on Recovery Works compliance with other requirements.

We identified improper Medicaid payments in the amount of \$1,629.66. This finding plus interest in the amount of \$127.25 (calculated as of August 18, 2022) totaling \$1,756.91 is due and payable to the Department upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the Department, which are not validated in the records, are subject to recoupment through the audit process. See Ohio Admin. Code § 5160-1-27. If waste and abuse are suspected or apparent, the Department and/or the office of the attorney general will take action to gain compliance and recoup inappropriate or excess payments.<sup>1</sup> See Ohio Admin. Code § 5160-1-29(B).

We are required to be independent of Recovery Works and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

This report is intended solely for the information and use of the Department 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

August 18, 2022

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<sup>1</sup> "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 SECTION

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

Recovery Works is certified by the Ohio Department of Mental Health and Addiction Services and received payment of approximately \$6.6 million under the provider numbers examined for 76,318 mental health and substance use disorder treatment services<sup>2</sup>. Recovery Works has one location in Vandalia, Ohio and two locations in West Carrollton, Ohio.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Recovery Works 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 of the engagement was limited to select payments for behavioral health services as specified below for which Recovery Works billed with dates of service from January 1, 2019 through December 31, 2020 and received payment.

We obtained Recovery Works fee-for-service claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We also obtained paid claims data from one MCO and verified that all services were paid to Recovery Works tax identification number. From the combined fee-for-service and MCO claims data, we removed services paid at zero and third-party payments. From the total paid services population, we selected payments for the following:

- All recipient dates of service (RDOS)<sup>3</sup> in which an office visit (procedure code 99204, 99213 and 99214) or an RN nursing (T1002) was reimbursed for the same recipient and date of service as a therapeutic injection (96372) (Office Visit or RN Service and Injection on Same Day Exception Test);
- All instances in which more than one urinalysis (H0048) was reimbursed for the same recipient and date of service (RDOS Greater than One Urinalysis Exception Test);
- All instances in which an IOP service (H0015) and more than one hour (four units) of group counseling (H0005) were reimbursed for the same recipient and date of service (IOP and Group Counseling on Same RDOS Exception Test);
- All services rendered by one practitioner on a selected date of service (Rendering Practitioner Services on May 3, 2019 Exception Test). These services included urinalysis (H0048) and RN nursing services (T1002); and
- From the remaining population of services, a random sample of 60 IOP services (H0015). We also selected all additional services billed on the same RDOS which included office visit (99203, 99213 and 99214), psychotherapy (90832, 90834 and 90837) case management (H0006), urinalysis (H0048) and RN nursing services (T1002).

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<sup>2</sup> Payments consist of fee-for-service data from the Medicaid Information Technology System (MITS) and claims data from one Medicaid MCO.

<sup>3</sup> A RDOS is defined as all services for a given recipient on a specific date of service.

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

The exception tests and calculated sample size are shown in **Table 1**.

<b>Table 1: Exception Tests and Sample</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Tests</b>			
Office Visitor RN Service and Injection on Same Day (99204, 99213, 99214, 96372, T1002)			55
RDOS Greater than One Urinalysis (H0048)			136
IOP and Group Counseling on Same RDOS (H0005, H0015)			150
Rendering Practitioner Services on May 3, 2019 (H0048, T1002)			42
<b>Sample</b>			
IOP Services (H0015)	22,454	60	60
Additional Services on Same RDOS <sup>1</sup>			44
Total IOP and Additional Services			104
<b>Total</b>			<b>487</b>

<sup>1</sup> The additional services include procedure codes 90832, 90834, 90837, 99203, 99213, 99214, H0006, H0048 and T1002.

A notification letter was sent to Recovery Works setting forth the purpose and scope of the examination. During the entrance conference, Recovery Works described its documentation practices and billing process. During fieldwork, we reviewed obtained an understanding of the electronic health record system used, reviewed service documentation and verified professional licensure or certification. We sent preliminary results to Recovery Works and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

**Results**

The summary results are shown in **Table 2**. The non-compliance and basis for findings is discussed below in further detail.

<b>Table 2: Results</b>				
<b>Universe</b>	<b>Services Examined</b>	<b>Non-compliant Services</b>	<b>Non-compliance Errors</b>	<b>Improper Payment</b>
<b>Exception Tests</b>				
Office Visit or RN Service and Injection on Same Day	55	0	0	\$0.00
RDOS Greater than One Urinalysis	136	68	68	\$984.64
IOP and Group Counseling on Same RDOS	150	73	73	\$645.02
Rendering Practitioner Services on May 3, 2019	42	0	0	\$0.00
<b>Sample</b>				
IOP and Additional Services	104	0	0	\$0.00
<b>Total</b>	<b>487</b>	<b>107</b>	<b>107</b>	<b>\$1,629.66</b>

### **A. Provider Qualifications**

Per Ohio Admin. Code § 5160-1-17.2(H), in signing the Medicaid provider agreement, a 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 56 practitioners in the service documentation for the selected services and compared their names to Office of Inspector General exclusion database and the Department's exclusion/suspension list. We also compared identified owner and administrative staff names to the same database and exclusion/suspension list. We found no matches.

For the 19 certified practitioners and 37 licensed practitioners identified in the service documentation for this examination, we verified via the Ohio e-License Center website that their certifications or licenses were current and valid on the first date found in our selected services and were active during the remainder of the examination period.

We noted one practitioner that was reprimanded and had her license suspended by the Chemical Dependency Professionals Board during our examination period for borrowing money from a client and resigning without proper notice. We found no services rendered by this practitioner in our selected services during the suspension.

The Department requires that providers and practitioners who want to furnish Medicaid covered services to Medicaid recipients enroll as Medicaid providers. This includes both providers and practitioners who will submit claims seeking reimbursement for services furnished to Medicaid recipients and rendering practitioners who are employed by provider groups or organizations who will submit claims to the department for payment. See Ohio Admin. Code § 5160-1-17.

We searched MITS and verified that each rendering practitioner had an active Medicaid provider number on the first date found in our selected services and was active during the remainder of the examination period.

### **B. Service Documentation**

Documentation requirements include the date, time of day, and duration of service contact. See Ohio Admin. Code § 5160-8-05(F). For errors where units billed exceeded the documented duration, the improper payment was based on the unsupported units.

We obtained service documentation from Recovery Works and compared it to the required elements. We also compared units billed to documented duration and compared services by recipient and the rendering practitioner to identify overlapping services. For IOP services, we ensured the service met the duration requirements.

With the exception of the instances detailed below, all services were supported by service documentation that contained the required elements and we found no variances in the units billed or overlapping services.

#### *RDOS Greater than One Urinalysis Exception Test*

The 136 services examined contained 17 instances in which there was no documentation to support the payment. Of the remaining services, there were 51 instances in which two urinalysis were billed on behalf of the same recipient and date of service.

We confirmed with the Medicaid MCO that only one unit per day of urinalysis may be billed.

These 68 errors resulted in an improper payment of \$984.64.

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

Recovery Works explained that recipients received more than one urinalysis if the recipient disputed the results of the first urinalysis or the recipient reported falsifying the sample; however, it indicated that billing for the second urinalysis was in error.

### *IOP and Group Counseling on Same RDOS Exception Test*

The 150 services examined contained 75 IOP services and 75 group counseling services. All 75 IOP services were supported by documentation that contained the required elements and met the service duration requirement.

For 72 of the 75 group counseling services, Recovery Works rendered case management services to a group; however, billed for group counseling. We found no provision in the Ohio Admin. Code § 5160-27-10 or the Medicaid Behavioral Health State Plan Services Provider Requirements and Reimbursement Manual that allows for substance abuse case management services to be rendered in a group setting. To identify the improper payment we divided the duration of the group case management service by the number of recipients and multiplied this duration by the case management rate. We then compared this to the paid amount for a group counseling service. As a result, we identified overpayments for 36 of the 72 errors. There was also one instance in which there was no documentation to support the group counseling service. In total, these 73 errors impacted the payments for 37 services and resulted in an improper payment of \$645.02.

Recovery Works indicated that Medicaid guidance received was to bill case management with more than one participant as group counseling; however, could not provide any documented guidance. In addition, Recovery Works indicated that it has changed its processes to no longer provide group case management services and only allow for individual activities.

## **Recommendation**

Recovery Works should develop and implement procedures to ensure that all service documentation and billing practices fully complies with requirements contained in Ohio Medicaid rules. In addition, Recovery Works should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement.

Recovery Works should also seek technical assistance to ensure it is properly documenting case management services. The Department should coordinate with the Ohio Department of Mental Health and Addiction Services to monitor Recovery Works for compliance. Recovery Works should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

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

A treatment plan must be completed within five sessions or one month of admission, whichever is longer, must specify mutually agreed treatment goals and track responses to treatment and is expected to bear the signature of the professional who recorded it. See Ohio Admin. Code § 5160-8-05(F).

We obtained treatment plans from Recovery Works and confirmed the treatment plan authorized the service examined and was signed by the recording practitioner. We limited our testing of treatment plans to the IOP services and other services on the same RDOS.

All of the selected payments were supported by a signed treatment plan.



Recovery Works Healing Center LLC  
Montgomery County  
Independent Auditor's Report on  
Compliance with Requirements of the Medicaid Program

**Official Response**

In addition to Recovery Works' responses obtained during the engagement which are included in the results above, the agency stated that it has implemented procedures to ensure that billing practices are in full compliance with Ohio Medicaid rules and a corresponding quality improvement process to internally monitor these matters. Additionally, Recovery Works indicated it will seek additional technical support to guide practices.

# OHIO AUDITOR OF STATE KEITH FABER



**RECOVERY WORKS HEALING CENTER LLC**

**MONTGOMERY COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 10/18/2022**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)