



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
88 East Broad Street  
Columbus, Ohio 43215  
(614) 466-3340  
ContactMCA@ohioauditor.gov

## 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: Cedar Ridge Behavioral Health Solutions LLC  
Ohio Medicaid Numbers: 0099342 & 0127293 NPI: 1447769666 & 1063779460

We were engaged to examine compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of individual psychotherapy services, drug and alcohol per diem services, group counseling at the partial hospitalization program level of care (PHP) services and intensive outpatient level of care group counseling (hereafter referred to as IOP) services during the period of July 1, 2019 through June 30, 2021 for Cedar Ridge Behavioral Health Solutions LLC (Cedar Ridge).

We also tested the following select payments:

- Greater than 12 definitive drug tests for the same recipient in the same calendar year;
- Multiple diagnostic evaluations for the same recipient by the same billing provider in the same calendar year;
- Potential unbundled services;
- Greater than one PHP or IOP service for the same recipient and date of service;
- Greater than one Alcohol and Other Drug Treatment program service for the same recipient and date of service; and
- Nursing services for the same recipient and date of service as an office visit.

Cedar Ridge 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 Cedar Ridge is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements examined.

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

Cedar Ridge 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 Cedar Ridge internal control over compliance.

***Basis for Disclaimer of Opinion***

We noted inconsistencies in the service documentation and, as a result, we were unable to gain assurance on the reliability of the service documentation. Examples of the inconsistencies included documentation in which the times of service overlapped for the same recipient and date of service and documentation in which there were two different dates of service recorded. In addition, Cedar Ridge submitted documentation for unbillable activities as support for some services. See Results in the Compliance Section of this report for details.

***Disclaimer of Opinion***

Our responsibility is to express an opinion on Cedar Ridge's compliance with select Medicaid requirements based on conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 Cedar Ridge's compliance with the specified Medicaid requirements for the period of July 1, 2019 through June 30, 2021.

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 Cedar Ridge's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$13,139.76. This finding plus interest in the amount of \$1,592.61 (calculated as of June 27, 2023) totaling \$14,732.37 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> Ohio Admin. Code § 5160-1-29(B).

We are required to be independent of Cedar Ridge and to meet our ethical responsibilities, in accordance with the ethical requirements established by the American Institute of Certified Public Accountants 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

June 27, 2023

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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).

Cedar Ridge is an Ohio Department of Mental Health and Addiction Services certified agency (Types 84 and 95) and received payment of approximately \$18.2 million including Ohio managed care organization (MCO) and fee-for-service payments for 177,548 services<sup>2</sup>. Cedar Ridge also has a Waivered Services (Type 45) provider number and the 44 services were not included in our scope.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Cedar Ridge's 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 Cedar Ridge billed with dates of service from July 1, 2019 through June 30, 2021 and received payment.

We obtained Cedar Ridge's claims from the Medicaid database which contains 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 Cedar Ridge tax identification number. From the combined fee-for-service and MCO claims data, we removed services paid through the Ohio Department of Developmental Disabilities, services paid at zero, and services with third-party payments. From the total paid services population, we selected the following payments in the order listed:

- Greater than 12 definitive drug tests for the same recipient in the same calendar year (Definitive Drug Tests Exceeding Limitations Exception Test);
- Multiple diagnostic evaluations for the same recipient by the same billing provider in the same calendar year (Multiple Diagnostic Evaluations Exception Test);
- Potential unbundled services (Potential Unbundled Services Exception Test);
- Greater than one PHP or IOP service for the same recipient and date of service (Potential Duplicate PHP or IOP Services Exception Test);
- Greater than one Alcohol and Other Drug Treatment program service for the same recipient and date of service (Potential Duplicate Residential Services Exception Test);
- Nursing services for the same recipient and date of service as an evaluation and management service (office visit) (Nursing Services and Office Visit Exception Test);
- Individual psychotherapy services (Individual Psychotherapy Services Sample);
- Drug and alcohol per diem services (Drug and Alcohol Per Diem Services Sample);
- PHP services (PHP Sample); and
- IOP services (IOP Sample).

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<sup>2</sup> Payment data is from the Medicaid Information Technology System (MITS).

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

<b>Table 1: Exception Tests and Samples</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Tests</b>			
Definitive Drug Tests Exceeding Limitations <sup>1</sup>			82
Multiple Diagnostic Evaluations <sup>2</sup>			8
Potential Unbundled Services <sup>3</sup>			16
Residential Treatment Services			16
<b>Total</b>			<b>32</b>
Potential Duplicate PHP or IOP Services <sup>4</sup>			24
Potential Duplicate Residential Treatment Services <sup>5</sup>			6
Nursing Services and Office Visits <sup>6</sup>			128
<b>Samples</b>			
Psychotherapy Services <sup>7</sup>	1,915 RDOS	60 RDOS	60
Residential Treatment Services <sup>8</sup>	3,844 services	60 services	60
PHP Services <sup>9</sup>	2,813 services	60 services	60
IOP Services <sup>10</sup>	2,142 services	60 services	60
<b>Total</b>			<b>520</b>

The exception test and samples include these procedure codes:

<sup>1</sup> screening quantitative alcohol (80320), screening quantitative amphetamines (80324), screening analgesics non-opioid (80329), screening benzodiazepines (80346), screening buprenorphine (80348), screening cannabinoids natural (80349), screening cocaine (80353), screening heroin metabolite (80356), screening methadone (80538), screening methylenedioxyamphetamines (80359), screening opiates 1 or more (80361), screening opioids and opiate analogs 3 or 4(80363), screening of oxycodone (80365), assay of phencyclidine (83992), drug test definitive 15-21 drug classes (G0482)

<sup>2</sup> psychiatric diagnostic evaluation (90791)

<sup>3</sup> individual psychotherapy – 60 minutes (90837), office visits (99204 and 99205), PHP/IOP (H0015), substance use disorder case management (H0006) and alcohol and drug treatment program per diem (H2036)

<sup>4</sup> PHP or IOP (H0015)

<sup>5</sup> Alcohol and drug treatment program per diem (H2036)

<sup>6</sup> Therapeutic behavioral services (H2019) and RN Services (T1002) and office visits (99204, 99205, 99213, 99214 and 99215)

<sup>7</sup> Individual psychotherapy (90832, 90834 and 90837)

<sup>8</sup> Alcohol and drug treatment program per diem (H2036)

<sup>9</sup> PHP (H0015 with TG modifier)

<sup>10</sup> IOP (H0015)

A notification letter was sent to Cedar Ridge setting forth the purpose and scope of the examination. During the entrance conference, Cedar Ridge 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 Cedar Ridge, and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

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**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>				
Definitive Drug Tests Exceeding Limitations	82	15	15	\$1,912.16
Multiple Diagnostic Evaluations	8	4	4	\$444.44
Potential Unbundled Services	16	12	12	\$1,231.46
Residential Treatment Services	16	0	0	\$0.00
<b>Total</b>	<b>32</b>	<b>12</b>	<b>12</b>	<b>\$1,231.46</b>
Potential Duplicate PHP or IOP Services	24	9	15	\$1,723.62
Potential Duplicate Residential Treatment Services	6	3	3	\$820.68
Nursing Services and Office Visits	128	59	60	\$2,166.15
<b>Samples</b>				
Psychotherapy Services	60	10	10	\$410.43
Residential Treatment Services	60	0	0	\$0.00
PHP Services	60	17	84	\$3,821.94
IOP Services	60	5	17	\$608.88
<b>Total</b>	<b>520</b>	<b>134</b>	<b>220</b>	<b>\$13,139.76</b>

We noted inconsistencies within documentation which resulted in concerns regarding the reliability of the documentation including:

- Documentation with a description of services and an electronic signature by the rendering practitioner with the duration of the service as zero. Cedar Ridge indicated that when a practitioner signs the documentation the start and end time on the document changes to when the record was finalized.
- Documentation in which the times of service overlapped for the same recipient and date of service. Cedar Ridge indicated that the recipient left one session early and transitioned to another session, but the documentation did not appropriately reflect the change in services. Cedar Ridge stated that they could not definitively identify the cause of the documentation error.
- Documentation in which there were two different dates of service recorded. The date of service was recorded with the time in/time out and the service date near the signature was recorded as a different date. Cedar Ridge stated they could not explain these discrepancies.
- Appointment logs that included the scheduled staff, recipients, time of session and the name of the group and that information did not always agree to the service documentation. Due to these discrepancies, we did not accept the appointment logs as documentation of the service.

In addition, documentation for unbillable activities was submitted as support for some services. Examples include coloring, board games, kickball, crafts, sitting silently, painting nails and a 10.5 hour kayak trip.

**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 113 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 administrator's names to the same database and exclusion/suspension list. We found no matches.

For the 21 certified practitioners and 28 licensed practitioners identified in the service documentation for this examination, we verified via the eLicense Ohio Professional Licensure System website if 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 identified 16 practitioners who did not have any license or certification required to render the service billed. In addition, we identified 16 practitioners whose license or certification was not valid on every day they rendered a service.

*Potential Duplicate PHP or IOP Services Exception Test*

The 24 services examined contained four instances in which an individual without the required certification or license rendered services. We did not identify an improper payment for these services because either a certified or licensed practitioner co-facilitated the service, or the minimum time required for the service was met with other services on the same day.

*PHP Services Sample*

The 60 services examined contained 32 instances in which an individual without the required certification or license rendered services. We did not identify an improper payment for these services because either a certified or licensed practitioner co-facilitated the service, or the minimum time required for the service was met with other services on the same day.

*IOP Services Sample*

The 60 services examined contained seven instances in which an individual without the required certification or license rendered services. We did not identify an improper payment for these services because either a certified or licensed practitioner co-facilitated the service, or the minimum time required for the service was met with other services on the same day.

We found no provider qualifications errors in the remaining exception tests or samples.

**Recommendation**

Cedar Ridge should ensure all personnel meet applicable requirements prior to rendering direct care services. Cedar Ridge should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

## **B. Service Documentation**

Documentation requirements include the date, time of day, and duration of service contact. See Ohio Admin. Code §§ 5160-27-02(H) and 5160-8-05(F). We compared Cedar Ridge's documentation to the required elements. We also compared units billed to documented duration and we ensured the services met the duration requirements. For errors where units billed exceeded the documented duration, the improper payment was based on the unsupported units.

### *Definitive Drug Tests Exceeding Limitations Exception Test*

We found no documentation errors.

### *Multiple Diagnostic Evaluations Exception Test*

The eight services examined included one instance in which there was no documentation to support the payment. This one error is included in the improper payment amount of \$444.44.

### *Potential Unbundled Services Exception Test*

The 16 services examined contained 12 services that are included in the residential treatment service and are not reimbursed separately per Ohio Admin. Code § 5160-27-09(B)(3). These 12 errors resulted in an improper payment amount of \$1,231.46.

We also examined 16 residential treatment services and found no documentation errors.

### *Potential Duplicate PHP or IOP Services Exception Test*

We examined 15 services (after removing the duplicate payments) and noted one service with documentation that was not a billable activity (painting nails and relaxing). We did not identify an improper payment for this service because the minimum time required for the service was met with other services on the same day. We also noted one service that did not meet the minimum time required by one minute. We did not identify an improper payment for this service. In addition, we found three instances in which Cedar Ridge submitted a claim with a different date of service than was recorded on the service documentation. We verified that no payment was received for the date of service on the supporting documentation.

### *Nursing Services and Office Visits Exception Test*

The 128 services examined included the following errors:

- 58 instances in which the nursing service did not appear to be a separate and distinct service;
- 1 service in which there was no documentation to support the payment; and
- 1 service in which the documentation did not contain a description of the service.

These 60 errors resulted in the improper payment amount of \$2,166.15.

### *Psychotherapy Services Sample*

The 60 services examined included 10 instances in which the minimum time required for the procedure code billed was not met. These 10 errors resulted in an improper payment amount of \$410.43. The improper payment was calculated using the difference between the procedure code billed and the procedure code for the documented duration.

**B. Service Documentation (Continued)**

*Residential Treatment Services Sample*

We found no documentation errors.

*PHP Services Sample*

The 60 services examined included 13 instances in which the minimum time requirement was not met and two instances in which there was no documentation to support the payment. These 15 errors are included in the improper payment amount \$3,821.94.

In addition, we noted 31 services with documentation that was not a billable activity. We did not identify an improper payment for these services because the minimum time required for the service was met with other services on the same day. We also noted two services that did not meet the minimum time required by one minute. We did not identify an improper payment for these services.

*IOP Services Sample*

The 60 services examined included four instances in which there was no documentation to support the payment. These four errors are included in the improper payment amount of \$608.88.

In addition, we noted four services with documentation that were not billable activities (e.g., recipient sleeping, kickball, waffle ball, coloring, playing cards and board games). We did not identify an improper payment for these services because the minimum time required for the services was met with other services on the same day. We also noted one service that did not meet the minimum time required by one minute. We did not identify an improper payment for this service.

**Recommendation**

Cedar Ridge should develop and implement procedures to ensure that all service documentation and billing practices fully complies with requirements contained in Ohio Medicaid rules and implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. In addition, Cedar Ridge should obtain technical assistance to determine what activities are billable. Cedar Ridge 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 Cedar Ridge and confirmed the treatment plan authorized the service examined and was signed by the recording practitioner. We limited our testing of authorization to provide services to the samples.

*Psychotherapy Services Sample*

We found no errors in authorization to provide services.

*Residential Treatment Services Sample*

We found no errors in authorization to provide services.

**C. Authorization to Provide Services (Continued)**

*PHP Services Sample*

The 60 services examined contained four instances in which there was no treatment plan to authorize the service. These four errors are included in the improper payment amount of \$3,821.94.

*IOP Services Sample*

The 60 services examined contained one instance in which there was no treatment plan to authorize the service. This error is included in the improper payment amount of \$608.88

**Recommendation**

Cedar Ridge should develop and implement procedures to ensure that all service authorizations fully comply with requirements contained in Ohio Medicaid rules. In addition, Cedar Ridge should implement a quality review process to ensure that service authorizations are complete and accurate prior to submitting claims for reimbursement. Cedar Ridge should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

**D. Medicaid Limitations and Coverage**

According to the Urine Drug Screen Guidance dated June 20, 2019, definitive urine drug tests are limited to 12 dates of service per year without prior authorization. We confirmed that this limitation was implemented by Ohio's managed care organizations. For fee-for-service payments from the Department this limitation became effective January 1, 2021.

Psychiatric diagnostic evaluation and psychiatric diagnostic evaluation with medical services are each limited to one encounter per recipient, per billing provider, per calendar year. This limit can be exceeded with prior authorization. See Ohio Admin. Code § 5160-27-02(B)(5).

The requirement for prior authorizations was lifted between March 27, 2020 and June 30, 2020 due to the public health emergency.

Per Ohio Admin. Code § 5160-1-17.2(A), by signing the Medicaid Provider Agreement the provider agrees to comply with the terms of the provider agreement, Revised Code, Administrative Code, and federal statutes and rules; and the provider certifies and agrees submit claims only for services actually performed.

*Definitive Drug Tests Exceeding Limitations Exception Test*

The 82 services examined included 15 instances in which the limitation was exceeded, and Cedar Ridge did not obtain prior authorization. These 15 errors resulted in an improper payment amount of \$1,912.16.

*Potential Duplicate Residential Treatment Services Exception Test*

The six services examined included three instances in which Cedar Ridge billed residential treatment services twice for the same recipient and date of service. These three errors resulted in an improper payment amount of \$820.68.

**D. Medicaid Limitations and Coverage (Continued)**

*Multiple Diagnostic Evaluations Exception Test*

The eight services examined included three instances in which the limitation was exceeded, and Cedar Ridge did not obtain prior authorization. We verified that these payments were to the same billing provider. These three errors are included in the improper payment amount of \$444.44.

*Potential Duplicate PHP or IOP Services Exception Test*

The 24 services included nine instances in which Cedar Ridge billed PHP or IOP twice for the same recipient and date. These nine errors resulted in an improper payment amount of \$1,723.62.

**Recommendation**

Cedar Ridge should develop and implement procedures to ensure that prior authorization is obtained prior to exceeding service limitations. Cedar Ridge should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

**Official Response and AOS Conclusion**

Cedar Ridge disputed findings for 98 dates of service and one provider qualification error. We reviewed Cedar Ridge's response and re-reviewed all documentation and criteria we relied upon. We updated our results to remove one error for IOP services. We maintain that our results, as revised, and recommendations are valid. The response and conclusions are summarized in **Table 3**.

<b>Table 3: Official Response and AOS Conclusion</b>		
<b>Disputed Errors</b>	<b>Cedar Ridge's Response</b>	<b>AOS Conclusion</b>
14 definitive drug tests	Criteria did not apply	Confirmed that criteria applied to these services
3 diagnostic evaluations	Billed wrong code for 2 services and documentation supports 1 service	Date of service on documentation is 12/19/19 and on claim is 2/28/20; no change to errors
1 IOP error	Billed wrong date of service	Confirmed that payment for IOP was received for both dates
57 nursing services	All were distinct services	The time and activity documented indicate that service was part of office visit on the same date
8 psychotherapy service	Rules permit billing for 60-minute psychotherapy when duration of service is 31 minutes and billing for 45 minutes when duration is 28.5 minutes	Psychotherapy has separate procedure codes for 30, 45 and 60 minutes. Cedar Ridge misapplied guidance.
12 partial hospitalization services and 3 IOP services	Documentation supports payments	Removed error for 1 IOP service; no change to remaining errors
1 provider qualification	Practitioner was CDCA-Preliminary beginning 5/7/20	Confirmed that practitioner rendered services prior to obtaining CDCA-Preliminary

# OHIO AUDITOR OF STATE KEITH FABER



**CEDAR RIDGE BEHAVIORAL HEALTH SOLUTIONS LLC**

**GUERNSEY 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 9/12/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

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[www.ohioauditor.gov](http://www.ohioauditor.gov)