



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR 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: Northeast Ohio Applied Health NOAH LLC
Ohio Medicaid Number: 3115444 National Provider Identifier (NPI): 1972810398

We examined compliance with specified Medicaid requirements during the period of January 1, 2019 through June 30, 2021 for provider qualifications, service documentation, service authorization, and coverage limitation for the provision of group counseling at the intensive outpatient level of care (hereafter referred to as IOP services) and provider qualifications and service documentation related to the provision of 60-minutes psychotherapy services for Northeast Ohio Applied Health NOAH LLC (NOAH).

We also tested the following select payments:

- Instances in which more than one IOP service was billed for the same recipient and date;
- All services billed with a service date of January 11, 2019 with practitioner "A" identified on the claim as the rendering provider;
- Instances in which more than one 60-minutes psychotherapy service was billed for the same recipient and date; and
- IOP services billed with a date of service during the third week of March 2019, 2020 and 2021.

NOAH 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 to fully disclose the extent of services provided and significant business transactions. NOAH 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 NOAH's compliance with the specified Medicaid requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether NOAH complied, in all material respects, with the specified requirements referenced above. We are required to be independent of NOAH and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to a compliance examination.

An examination involves performing procedures to obtain evidence about whether NOAH 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. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion. Our examination does not provide a legal determination on NOAH's compliance with the specified requirements.

Internal Control over Compliance

NOAH 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 NOAH's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, NOAH did not have documentation to support Medicaid reimbursements and did not meet the coverage limitation (minimum time requirement) for IOP services.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, NOAH has complied, in all material respects, with the selected requirements of the provision of IOP services and 60 minutes psychotherapy services for the period of January 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 NOAH's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$142,026.54. This finding plus interest in the amount of \$18,356.44 (calculated as of March 6, 2023) totaling \$160,382.98 is due and payable to the Department upon its adoption and adjudication of this report. Services billed to and reimbursed by the Department, which are not validated in the records, are subject to recoupment through the audit process. If waste and abuse¹ 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. Ohio Admin. Code § 5160-1-29(B).

This report is intended solely for the information and use of NOAH, 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

March 6, 2023

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 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).

NOAH is an Ohio Department of Mental Health and Addiction Services certified agency (Type 95) and received payment of \$2.4 million including managed care and fee-for-service payments for 18,816 services².

Purpose, Scope, and Methodology

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

We obtained NOAH's claims from the Medicaid database which contains services billed to and paid by Ohio's Medicaid program. We also obtained claims data from one Ohio managed care organization and verified that the services were paid to NOAH's tax identification number. From the combined fee-for-service and MCO claims data, we removed services paid at zero.

From the total paid services, we selected the following in this order:

- More than one IOP service on an RDOS³ (procedure code H0015) (Limitations (IOP) Exception Test);
- All services billed with a service date of January 11, 2019 with practitioner "A" as the rendering provider identified on the claim (procedure codes 90837, H0006 & H0015) (Services Billed on January 11, 2019 with Practitioner "A" Exception Test);
- Instances in which more than one psychotherapy, 60 minutes, service was billed for the same RDOS (procedure code 90837) (Multiple 60-Minutes Psychotherapy Services on an RDOS Exception Test);
- IOP services billed with a date of service during the third week of March 2019, 2020 and 2021 (procedure code H0015) (Third Week of March IOP Exception Test);
- Sample of IOP Services; and
- Sample of 60-minutes psychotherapy services.

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

² Payment data is from the Medicaid Information Technology System (MITS)

³ RDOS is defined as all services for a given recipient on a specific date of service

Purpose, Scope, and Methodology (Continued)

Table 1: Exception Tests and Samples			
Universe	Population Size	Sample Size	Selected Services
Exception Tests			
Limitations (IOP)	56		56
Services Billed on January 11, 2019 with Practitioner "A"	14		14
Multiple 60-Minutes Psychotherapy Services on an RDOS	26		26
Third Week of March IOP Services	49		49
Samples			
IOP Services	3,148	264	264
60-Minutes Psychotherapy Services	906	196	196
Total			605

A notification letter was sent to NOAH setting forth the purpose and scope of the examination. During the entrance conference, NOAH described its documentation practices and billing process. During fieldwork, we reviewed service documentation and verified professional licensure. We sent preliminary results to NOAH and it submitted no additional documentation.

Results

The summary results are shown in **Table 2**. While certain services had more than one error, only one finding was made per service. The non-compliance and basis for findings is discussed below in further detail.

Table 2: Results				
Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Tests				
Limitations (IOP)	56	32	49	\$4,796.16
Services Billed on January 11, 2019 with Practitioner "A"	14	8	9	\$660.59
Multiple 60-Minutes Psychotherapy Services on an RDOS	26	10	10	\$842.21
Third Week of March IOP Services	49	8	43	\$1,199.04
Samples				
IOP Services	264	84	228	\$128,715.00 ¹
60-Minutes Psychotherapy Services	196	60	60	\$5,813.54
Total	605	202	399	\$142,026.54

¹ The overpayments identified for 84 of the 264 services from a simple variable random sample were projected across the NOAH's population of IOP (H0015) services (less excluded services) resulting in a projected overpayment of \$128,715 with a 90 percent degree of certainty that the true population overpayment fell within the range of \$128,715 and \$171,535 (+/- 14.26%). A finding was made for the lower amount of the estimate of \$128,715. **See Appendix I.**

A. Provider Qualifications

Exclusion or Suspension List

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.

Licenses/Certifications

For the 14 licensed/certified practitioners identified in the documentation for the tests below, we verified via the e-License Ohio Professional Licensure System 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 found two practitioners who rendered services prior to licensure/certification and one practitioner who rendered services during a lapse in licensure/certification.

Limitations (IOP) Exception Test

The 56 services examined contained no errors.

Services Billed on January 11, 2019 with Practitioner "A" Exception Test

The 14 services examined contained no errors.

Multiple 60-Minute Psychotherapy Services on an RDOS Exception Test

The 26 services examined contained three services rendered by a practitioner who was not licensed/certified on the date of service. These three errors are included in the improper payment amount of \$842.21.

Third Week of March IOP Services Exception Test

The 49 services examined contained five services rendered by a practitioner who was not licensed/certified on the date of service. These five errors are included in the improper payment amount of \$1,199.04.

IOP Sample

The 264 services examined contained six services rendered by a practitioner who was not licensed/certified on the date of service. These six errors are included in the projected improper payment amount of \$128,715.

We did not test provider qualifications for the 60-minutes Psychotherapy Services Sample.

Recommendation

NOAH should review the Ohio Medicaid rules and improve its internal controls to ensure all personnel meet applicable requirements prior to rendering direct care services. NOAH 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 NOAH'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.

Limitations (IOP) Exception Test

The 56 services examined contained four instances in which the documentation did not include a description of the service rendered. These four errors are included in the improper payment amount of \$4,796.16.

Services Billed on January 11, 2019 with Practitioner "A" Exception Test

The 14 services examined contained the following errors:

- 4 instances in which there was no documentation to support the reimbursement;
- 3 instances in which the documented service time overlapped with a second service for the same recipient and date; and
- 2 instances in which the units reimbursed were greater than the documented duration.

These nine errors resulted in an improper payment amount of \$660.59.

Multiple 60-Minutes Psychotherapy Services on an RDOS Exception Test

The 26 services examined contained seven instances in which there was no documentation to support the reimbursement. These seven errors are included in the improper payment amount of \$842.21.

Third Week of March IOP Services Exception Test

The 49 services examined contained three instances in which there was no documentation to support the reimbursement. These three errors are included in the improper payment amount of \$1,199.04.

IOP Services Sample

The 264 services examined included 68 instances (26 percent) in which there was no documentation to support the reimbursement and two instances in which the minimum required duration was not met. These 70 errors are included in the projected improper payment amount of \$128,715.

60-Minutes Psychotherapy Services Sample

The 196 services examined included 56 instances in which there was no documentation to support the reimbursement and four instances in which the duration of service did not support the procedure code billed and the corresponding reimbursement. These 60 errors resulted in an improper payment of \$5,813.54.

Recommendation

NOAH should develop and implement procedures to ensure that all service documentation and billing practices fully comply with requirements contained in Ohio Medicaid rules. In addition, NOAH should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. NOAH 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 §§ 5160-27-02(H) and Ohio Admin. Code § 5160-8-05(F).

IOP Services Sample

The 264 services examined contained three instances in which there was no treatment plan that covered the selected date of service and six instances in which the treatment plan did not authorize the service examined. These nine errors are included in the projected improper payment amount of \$128,715.

We did not test authorization in the exception tests or remaining sample.

Recommendation

NOAH should develop and implement procedures to ensure that all service authorizations fully comply with requirements contained in Ohio Medicaid rules. In addition, NOAH should implement a quality review process to ensure that service authorizations are complete and accurate prior to submitting claims for reimbursement.

D. Medicaid Coverage

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.

Per the Medicaid Behavioral Health State Plan Services Provider Requirements and Reimbursement Manual, IOP is a per diem service and must be provided to a client for a minimum length of two hours and one minute.

Limitations Exception Test

The 56 services examined included 28 instances in which NOAH billed IOP twice for the same recipient and date of service. These 28 errors are included in improper payment amount of \$4,796.16.

We also noted 17 instances in which the minimum required duration was not met by one minute. We did not associate improper payments for these 17 errors.

Third Week of March Intensive Outpatient Services Exception Test

The 49 services examined contained 35 instances in which the minimum required duration was not met by one minute. We did not associate improper payments for these 35 errors.

Intensive Outpatient Services Sample

The 264 services examined contained 143 instances (54 percent) in which the minimum required duration was not met by one minute. We did not associate improper payments for these 143 errors.

Northeast Ohio Applied Health NOAH LLC
Summit County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

Recommendation

NOAH should develop and implement procedures to ensure that services billed to Medicaid are consistent with the benefits covered by the program. NOAH should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

E. Subsequent Event

On March 27, 2023, NOAH sent a notice stating that it had temporarily shut down its program “due to financial hardship and not being about to meet the deadline for renewal” and vacated its office space.

Official Response

NOAH declined to submit an official response to the results noted above.

APPENDIX I

Summary of IOP (H0015) Sample

Population

The population is all paid Medicaid IOP (CPT Code H0015), net of any adjustments, less certain excluded services, where the service was billed with dates of service during the period of January 1, 2019 through June 30, 2021 and payment was made by an MCO or the Department.

Sampling Frame

The sampling frame for this sample was paid and processed claims from the MCO's claim system and the Department's claim system. These systems contain all Medicaid payments and all adjustments made to the Medicaid payments by the MCO and the Department.

Sample Unit

The sampling unit was a service.

Sample Design

We used a simple random variable sample.

Description	Results
Number of Services in Population	3,148
Number of Services Sampled	264
Number of Services Sampled with Errors	84
Total Medicaid Amount Paid for Population	\$471,822.24
Amount Paid for Services Sampled	\$39,568.32
Projected Population Overpayment (Point Estimate)	\$150,125
Upper Limit Overpayment Estimate at 90% Confidence Level	\$171,535
Lower Limit Overpayment Estimate at 90% Confidence Level	\$128,715
Precision of Overpayment Projection at 90% Confidence Level	\$21,410 (+/-14.26%)

Source: Analysis of MCO and the Department's information and the Provider's records

OHIO AUDITOR OF STATE KEITH FABER



NORTHEAST OHIO APPLIED HEALTH NOAH LLC

SUMMIT 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 5/30/2023

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