



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Ohio Medicaid Program

Review of Provider Reimbursements Made to Scioto-Paint Valley Mental Health Center

A Compliance Review by the

**Fraud, Waste and Abuse
Prevention Division**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Matthew Markley, Executive Director
ADAMH Board of Ross, Pike, Pickaway, Fayette and Highland Counties
394 Chestnut Street
Chillicothe, Ohio 45601

Gary Kreuchauf, Ph.D., Executive Director
Scioto-Paint Valley Mental Health Center
P.O. Box 6179, 4449 State Route 159
Chillicothe, Ohio 45601

Dear Mr. Markley and Dr. Kreuchauf:

We have completed our audit of payments for services rendered to Medicaid recipients by Scioto-Paint Valley Mental Health Center (the Provider) for the period January 1, 1999 through December 31, 2000. We identified findings in the amount of \$85,978.12, which must be repaid to the Ohio Department of Job and Family Services. The findings involve duplicate payments that resulted from erroneous billings submitted by the Provider to the Alcohol and Drug Addiction/Mental Health (ADAMH) Board of Ross, Pike, Pickaway, Fayette and Highland Counties. A "provider remittance form" is located at the back of this report for remitting payment.

The ADAMH Board of Ross, Pike, Pickaway, Fayette and Highland Counties is responsible for processing reimbursement claims from the Provider and for identifying and recouping any overpayments. In this instance, the Provider advised the ADAMH Board of the overpayments in June 2000, but a recoupment had not occurred at the time of our review in May 2001. Therefore, we are recommending that the Board proceed expeditiously to remedy this situation, and to include other duplicate payments identified by our audit. In addition, we are recommending that the Board establish procedures to promptly correct future billing errors and send a copy of the new procedures to the Ohio Department of Mental Health and the Auditor's office. The attached report details the results of our review.

Please be advised that in accordance with Ohio Revised Code Section 131.02, if payment is not made to the Ohio Department of Job and Family Services within 45 days of receipt of this report, this matter will be referred to the Ohio Attorney General's office for collection.

Copies of this report are also being sent to the Ohio Department of Mental Health, the Ohio Department of Alcohol and Drug Addiction Services, the Ohio Department of Job and Family Services, and the Ohio Attorney General. If you have any questions, please contact Johnnie L. Butts, Jr., Chief of the Fraud, Waste and Abuse Prevention Division at (614) 466-3212.

Yours truly,

JIM PETRO
Auditor of State

September 04, 2001

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ABBREVIATIONS

ADAMH	Alcohol, Drug Addiction and Mental Health, Board of
FWAP	Fraud, Waste and Abuse Prevention, Division of
HCFA	Health Care Financing Administration
HCPCS	HCFA Common Procedure Coding System
MACSIS	Multi-Agency Community Services Information System
MMIS	Medicaid Management Information System
OAC	Ohio Administrative Code
ODADAS	Ohio Department of Alcohol and Drug Addiction Services
ODJFS	Ohio Department of Job and Family Services
ODMH	Ohio Department of Mental Health
ORC	Ohio Revised Code
TCN	Transaction Control Number

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SUMMARY OF RESULTS

The Auditor of State performed a review of potential duplicate payments made to Scioto-Paint Valley Mental Health Center, doing business at 4449 State Route 159, Chillicothe, Ohio 45601. During the course of the review, we discovered \$85,978.12 in duplicate payments paid to the Provider for the same service, to the same recipient, and on the same day. These resulted from duplicate Medicaid claims submitted by Scioto-Paint Valley Mental Health Center for mental health, and alcohol and drug addiction services, and as such were not in accordance with reimbursements rules under the Ohio Administrative Code (OAC).

BACKGROUND

In accordance with Section 117.10 of the Ohio Revised Code, the Auditor of State, performs reviews to assess Medicaid providers' compliance with federal and state claims reimbursement rules. A Provider renders medical, dental, laboratory, or other services to Medicaid recipients. The Auditor's office performs these reviews in cooperation with state agencies, such as the Ohio Department of Mental Health, that has responsibility for administering a specific aspect of the Medicaid program.

Medicaid was established in 1965 under the authority of Title XIX of the Social Security Act and is a federal/state financed program which provides assistance to low income persons, families with dependent children, the aged, the blind, and the disabled. The Ohio Department of Job and Family Services (ODJFS) administers the Medicaid program in Ohio.

The Ohio Department of Mental Health

The Ohio Department of Mental Health oversees the operation of more than 500 not-for-profit community mental health agencies through 50 county-level boards and currently provides services to 250,000 people. About 280 agencies are Medicaid providers. This includes more than 75,000 adults who are severely disabled by mental illness and 70,000 children. The boards, established by legislation in 1967, function as the "Local Mental Health Authorities" and provide the funding, planning and monitoring for all services provided through the community agencies. Most boards oversee both mental health and addiction services as Alcohol, Drug Addiction and Mental Health (ADAMH) Service Boards.

Providers of mental health and addiction services submit claims for reimbursement to the local ADAMH board. The claims are then entered into the Multi-Agency Community Services Information System (MACSIS), which tracks all mental health and addiction services provided to clients. After the claims are entered by the local board, the Ohio Department of Mental Health extracts those claims which contain services provided to Medicaid recipients and submits them to ODJFS for payment. ODJFS utilizes the Medicaid Management Information System (MMIS) to pay each claim. Payments to the providers flow back to ODMH to the local boards, who pay the individual providers for services rendered.

Medicaid Rules

ODJFS' Medicaid Provider Handbook, General Information, Section II, Subsection (B), Chapter 3334, states in part, "Medical necessity" is the fundamental concept underlying the Medicaid program. A physician must render or authorize medical services within the scope of their licensure and based on their professional judgement of those services needed by an individual. "Medically necessary services" are services which are necessary for the diagnosis or treatment of disease, illness, or injury and meet accepted standards of medical practice.

Pursuant to the Ohio Medicaid Provider Handbook, Chapter 3334, Section IV, Subsection (B), and OAC Section 5101:3-1-172 (E), providers are required to "Maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions. The provider will maintain such records for a period of six years from the date of receipt of payment or until any initiated audit is completed, whichever is longer."

Pursuant to Ohio Medicaid Provider Handbook, Chapter 3334, Section V, Subsection B (6), (OAC Section 5101-3-1-198), overpayments, duplicate payments or payments for services not rendered are recoverable by the department at the time of discovery.

In addition, rule 5101:3-1-29 (C) of the OAC states: "In all instances of fraud and abuse, any amount in excess of that legitimately due to the provider will be recouped by the department through its surveillance and utilization review section, the state auditor, or the office of the attorney general."

"Abuse" is defined in rule 5101:3-1-29 (B) as ". . . those provider practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and result in an unnecessary cost to the medicaid program . . ."

PURPOSE SCOPE AND METHODOLOGY

Our review was performed in cooperation with the Ohio Department of Mental Health, as part of a statewide project to detect potential duplicate payments (two or more reimbursements for the same service to the same recipient on the same date) by utilizing a computer

program to review each provider's claims.

We identified potential duplicate payments through an analysis of providers' claims history from ODJFS' Medicaid Management Information System (MMIS), which lists services billed to and paid by Medicaid. This computerized claims data includes patient name, place of service, date of service, and type of procedure/service. We augmented this information with claims history from ODMH's Multi-Agency Community Services Information System (MACSIS).

The scope of our review was limited to claims that were identified as potential duplicate payments,

for which the Provider was paid by Medicaid during the period from January 1, 1999 to December 31, 2000. Our initial computer analysis of the Provider's claims history for calendar years 1999 and 2000 identified \$260,634.93 in potential duplicate payments, representing 7,675 transaction control numbers (TCN's). A TCN is the identifier for a mental health bill for one recipient.

We informed the Provider by letter they had been selected for this review, and an Entrance Conference was held on May 15, 2001 with Gary Kreuchauf, Executive Director. The purpose of this review was to determine whether the Provider filed claims for and was reimbursed two or more times for the same Medicaid service.

To facilitate an accurate and timely review of paid claims, we selected a statistical random sample of 200 transaction control numbers (TCN's) that had been identified as potential duplicate claims. The 200 TCN's represented 626 different mental health services. The records review involved comparison of mental health records maintained by the Provider with the claims payment history from MMIS and MACSIS. We requested from the Provider all documentation which fully disclosed all services rendered. During the on-site examination, we reviewed, among other documents, the Provider's contact logs and medication reports, which show the nature of service provided and how it relates to the patient's Plan of Care.

Work performed on this audit was done in accordance with government auditing standards. Detailed below are the results of this review.

FINDINGS

As noted above, our initial computer analysis of the Provider's claims history for calendar years 1999 and 2000 identified \$260,634.93 in potential duplicate payments, representing 7,675 TCN's. However, after reviewing 62 (representing 213 different mental health services) of the 200 TCN's in our sample, we determined that most of these payments were for legitimate services -- community services that had been performed more than once per day for the same recipient. Because the billing codes employed by the Department of Mental Health do not distinguish between different community services that could not and those that could be performed on the same day for the same recipient, they appeared to be duplicate payments.

Findings for Duplicate Payments

Although our records review determined that most of the claims were not duplicates, we did identify what appeared to be a one-time billing error that resulted in the Provider being reimbursed twice for the same service. Our review of 62 transaction control numbers (claims) that had been identified as potential duplicate claims identified 21 transaction control numbers that had duplicate claims. Of these 21, 18 were for claims submitted from December 1, 1999 to December 17, 1999. The three duplicate claims that did not fall between December 1 and December 17, 1999, were all before the agency began to use the MACSIS system, which identifies potential duplicate payments to Boards for use in reviewing provider payment claims. These duplicate claims totaled \$170.06.

According to staff at Scioto-Paint Valley Mental Health Center, the billing department began using a new computer system to submit claims to the local ADAMH board shortly before December 1999. When claims are submitted, an “ending” date must be specified to complete the process. When the Provider submitted its November 1999 claims to the ADAMH board, an ending date was not entered into the computer system. Therefore, when the Provider submitted its November claims on December 17, 1999, the computer system also submitted those claims that were entered into the system through December 17. Provider staff said they were unaware that claims for the first half of December had already been sent to the ADAMH board and thus sent all of their December 1999 billings to the ADAMH board in January 2000. As a result, claims entered into the computer system from December 1, 1999 through December 17, 1999 were submitted and paid twice, with the overpaid (duplicate) amount totaling \$83,782.94.

According to the Provider, the duplicate billing problem also affected claims involving the Ohio Department of Alcohol and Drug Addition Services (ODADAS). The ADAMH board processes ODADAS claims through the same claims payment system they use to process claims for mental health services. The Provider told us these claims totaled \$2,025.12 in duplicate payments and included services for case management (\$45.99), individual counseling (\$1,625.98), and crisis intervention (\$353.15).

Therefore, we identified findings totaling \$85,978.12, which resulted from the three duplicate mental health claims from our sample that occurred before December 1999, and the duplicate December 1999 mental health claims, and the duplicate claims submitted for ODADAS drug and alcohol prevention services.

Delays in Recouping Overpayments

When billing errors occur and are brought to the attention of a local board, the board is to use claims correction procedures that are built into ODMH’s claims processing system (MACSIS). These procedures offset future reimbursements to a Provider and reimburse any overpayments to ODJFS. Scioto-Paint Valley Mental Health Center reported the error to their local ADAMH Board in June 2000. The ADAMH Board then contacted the Ohio Department of Mental Health, who informed the ADAMH Board to wait for instructions to repay the funds. At the time of our review in May 2001, the Board had not yet made the correction, nor had the overpayments been reimbursed to ODJFS. The Provider had implemented internal controls to guard against any future submission of duplicate claims.

Therefore, we are recommending that the ADAMH Board for Scioto-Paint Valley Mental Health Center:

- recover the \$85,978.12. in duplicate payments, using ODMH’s claims correction process,

- develop procedures to ensure that future billing errors of this sort are promptly detected and prevented,
- notify ODMH of any corrective actions taken.

***BOARD & PROVIDER
RESPONSES***

A draft report of this report was mailed to the Provider and to the ADAMH Board on June 11, 2001, to afford them an opportunity to provide additional documentation or otherwise respond in writing. The Provider agreed with our audit findings in a June 15, 2001 letter, and in follow up June 25, 2001 letter alerted us to the duplicate claims for ODADAS services. The Provider stated they stand ready to repay the ADAMH Board for any amounts not legally due to the agency.

On June 20, 2001, we contacted the ADAMH Board to give them the same opportunity to respond to the draft report. In the Board's June 21 response, the Director of Finance agreed with the findings and stated that they had been requesting guidance from the Department of Mental Health before seeking repayment. She agreed to initiate recoupment as soon as all parties agreed to the repayment process. ADAMH officials subsequently informed ODMH on August 20 that recoupment was underway and should be completed before the end of the month.

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PROVIDER REMITTANCE FORM

Make your check payable to the Treasurer of State of Ohio and mail check along with this completed form to:

Ohio Department of Job and Family Services
Post Office Box 182367
Columbus, Ohio 43218-2367

Provider: Scioto-Paint Valley Mental Health Center
4449 State Route 159
Chillicothe, Ohio 45601

Review Period: January 1, 1999 through December 31, 2000

AOS Finding Amount: \$85,978.12

Date Payment Mailed: _____

Check Number: _____

IMPORTANT: To ensure that our office properly credits your payment, please also fax a copy of this remittance form to: Charles T. Carle at (614) 728-7398.

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SCIOTO-PAINT VALLEY MENTAL HEALTH CENTER

ROSS 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 4, 2001**