SUMMIT ACADEMY COMMUNITY SCHOOL - CINCINNATI
HAMILTON COUNTY

MEDICAID COMPLIANCE EXAMINATION REPORT

FOR THE PERIOD JULY 1, 2011 THROUGH JUNE 30, 2013

Dave Yost • Auditor of State

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SUMMIT ACADEMY COMMUNITY SCHOOL - CINCINNATI
HAMILTON COUNTY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO MEDICAID SCHOOL PROGRAM SERVICES

Dale E. Leever, Principal
Summit Academy Community School – Cincinnati
1660 Sternblock Lane
Cincinnati, Ohio 45237

RE: Medicaid Provider Number 2890635

Dear Mr. Leever:

We examined your (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service authorization and service documentation related to the provision of Medicaid School Program (MSP) services during the period of July 1, 2011 through June 30, 2013. We tested service documentation to verify that there was support for the service, the procedure code and the units billed to and paid by Ohio Medicaid. We also examined the Individualized Education Programs (IEPs) to determine if there was authorization for the service and reviewed practitioner qualifications. The accompanying Compliance Examination Report identifies the specific requirements examined.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients (the Provider Agreement). The Provider Agreement outlines the responsibility to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, and the regulations and policies set forth in the Medicaid Handbook including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Therefore, the Provider is responsible for complying with the requirements and laws outlined by the Medicaid program.

Auditor's Responsibility

Our responsibility is to express an opinion and report on the Provider's compliance with the specified Medicaid requirements based on our examination. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code and conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and, accordingly, included examining, on a test basis, evidence supporting the Provider's compliance with those Medicaid requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on the Provider's compliance with the specified Medicaid 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 Qualified Opinion

Our examination disclosed that in a material number of instances the Provider billed and was reimbursed for more units than were authorized on the IEP, there was no documentation of general supervision for occupational therapy assistants and services were rendered by a practitioner prior to a criminal background check.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the Provider has complied, in all material respects, with the aforementioned requirements for the period of July 1, 2011 through June 30, 2013.

Our testing was limited to the specified Medicaid requirements detailed in the Compliance Examination Report. We did not test other requirements and, accordingly, we do not express an opinion on the Provider's compliance with other requirements.

We found the Provider was overpaid by ODM for services rendered between July 1, 2011 and June 30, 2013 in the amount of $17,737.96. This finding plus interest in the amount of $1,097.69 totaling $18,835.65 is due and payable to ODM upon its adjudication of this examination report. When the Auditor of State identifies fraud, waste or abuse by a provider in an examination,[1] any payment amount in excess of that legitimately due to the provider will be recouped by ODM through its Fiscal Operations, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of the Ohio Department of Medicaid, the Medicaid Fraud Control Unit of the Ohio Attorney General's Office, the U.S. Department of Health and Human Services/Office of Inspector General, and other regulatory and oversight bodies, and is not intended to be and should not be used by anyone other than these specified parties. In addition, copies are available to the public on the Auditor of State website at www.ohioauditor.gov.

Dave Yost
Auditor of State

June 12, 2015

[1] "Fraud" is an intentional deception, false statement, or misrepresentation made with the knowledge that the deception, false statement, or misrepresentation could result in some unauthorized benefit to oneself or another person. "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 FOR
SUMMIT ACADEMY COMMUNITY SCHOOL - CINCINNATI

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 diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. *See* Ohio Admin. Code § 5160-1-01(B). According to Ohio Admin. Code § 5160-1-17.2(D), 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 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(E).

The Provider is a community school that furnished occupational therapy services, speech-language pathology services, audiology services and mental health services through the MSP during our examination period. The Provider received a total reimbursement of $42,163.04 for 1,572 services to 64 unique recipients on 275 dates of service.

Eligible recipients of MSP services are children between the ages of three to twenty-one who have an IEP which includes services that are allowable under Medicaid. *See* Ohio Admin. Code § 5160-35-01(A)(6) The only provider of MSP services are city, local or exempted village school districts, state schools for the blind and deaf and community schools according to Ohio Admin. Code § 5160-35-02(B)(1).

The Provider contracted with Summit Academy Management (the management company) to facilitate its day to day operations. All of the practitioners who rendered services during our examination period were contracted by the management company through staffing agencies. MSP services were recorded and signed electronically by the rendering practitioner in an electronic health record (EHR) and were billed to Ohio Medicaid by a contracted billing company directly from this EHR system.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid 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.

The scope of the engagement included all procedure codes the Provider billed to Ohio Medicaid and received payment for during the period of July 1, 2011 through June 30, 2013. These procedure codes included:

- 90804, 90806, 90832 and 90834 – Individual psychotherapy
- 90853 – Group psychotherapy
- 92506 – Speech evaluation
- 92507 and 92508 – Speech therapy (individual and group)
- 92551 – Screening test, pure tone
- 92610 – Evaluation of swallowing function
- 96101 – Psychological testing
- 96110 – Developmental screening
- 97003 and 97004 – Occupational therapy evaluation and re-evaluation

- 97110 and 97150 – Occupational or physical therapy therapeutic procedure (individual and group)
- 97116 – Gait training
- 97530 – Occupation or physical therapy therapeutic activities
- 97532 – Cognitive skills development
- 97533 – Sensory integrative techniques
- H0031 – Mental health assessment

We received the Provider's claims history from the Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. From this population we randomly selected 20 recipients. We then extracted all services for those recipients that were billed to and paid by Ohio Medicaid during our examination period. This resulted in a sample size of 624 services to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

An engagement letter was sent to the Provider on March 12, 2015 setting forth the purpose and scope of the examination. An entrance conference was held on March 19, 2015. During the entrance conference, the Provider described its documentation practices, personnel related procedures and billing process. Our fieldwork was performed following the entrance conference. The Provider was given multiple opportunities to provide any additional documentation before we compiled our results.

Results

We examined a random sample of 624 services provided to 20 unique recipients and identified 412 errors. The overpayments identified for 19 of 20 recipients (351 of 624 services) from our statistical cluster sample, where recipients were the primary units and paid services were the secondary units, were projected to the Provider's population of paid services. This resulted in a projected overpayment amount of $21,407.52 with a 95 percent certainty that the true population overpayment fell within the range of $17,048.50 to $25,766.50, a precision of plus or minus $4,358.99 (20.36 percent.) 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 method used in Medicare audits). This allows us to say that we are 95 percent certain that the population overpayment is at least $17,737.96. A detailed summary of our statistical sample and projection results is presented in **Appendix I.**

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

A. Provider Qualifications

According to Ohio Admin. Code § 5101:3-35-02(C), a MSP provider shall ensure all employees and contractors who have in-person contact with recipients undergo and successfully complete criminal record checks pursuant to Ohio Rev. Code § 5111.032.

In addition, Ohio Admin. Code § 5101:3-35-05(B) states qualified practitioners who can deliver services through the MSP must be a licensed occupational therapist, occupational therapy assistant, physical therapist, physical therapy assistant, speech-language pathologist, speech-language pathology aide, audiologist, audiology aide, registered nurse, practical nurse, clinical counselor, counselor, independent social worker, social worker, psychologist or school psychologist.

We noted one licensed speech-language pathologist without a criminal records check until September 28, 2012. We concluded the 111 services rendered by this practitioner between July 1,

2011 and September 27, 2012 were non-compliant and were included in the finding amount of $17,737.96.

We verified through the Ohio e-License Center and the Ohio Department of Education that all practitioners who rendered services in our sample were appropriately licensed and held a valid license during the examination period.

The Provider stated the management company contracted for practitioners through staffing agencies that were responsible for verifying licensing and criminal records checks. The management company was unable to provide copies of criminal records checks for 6 of the 11 practitioners who rendered services in our sample. While we obtained verification from the Ohio Department of Education that these practitioners successfully completed the required criminal record checks, we were unable to gain assurance that the Provider ever ensured the background checks were successfully completed.

Recommendation:

The Provider should verify that all practitioners complete the required criminal record checks and should review the results to ensure that individual is eligible to provide services. The Provider should address the identified issue to ensure the safety of students in addition to compliance with Medicaid rules and to avoid future findings.

B. Supervision Requirements

Ohio Admin. Code § 5101:3-35-05(B)(1)(b)(ii) states licensed occupational therapy assistants shall practice under the general supervision of a licensed occupational therapist who is employed or contracted by the Provider. Ohio Admin. Code § 5101:3-35-01(A)(6) defines general supervision as the licensed practitioner being available, but not necessarily present, and requires an interactive process which shall include initial and periodic face-to-face evaluation of the recipient and routine consult with the assistant before starting services. Finally, services that are not provided under the appropriate supervision and/or at the appropriate direction of a licensed practitioner are not allowable per Ohio Admin. Code § 5101:3-35-05(C)(14).

The Provider submitted practitioner plans of care signed by an occupational therapy assistant and a licensed occupational therapist but did not submit any evidence of initial face-to-face or periodic evaluation with the recipient or routine consultation between the two practitioners at the start of services. We concluded the 208 services rendered by occupational therapy assistants without documented general supervision were non-compliant and were included in the finding amount of $17,737.96.

Recommendation:

The Provider should ensure that all licensed assistant practitioners are supervised as required and that evidence of the supervision is maintained. The Provider should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

C. Service Documentation

Ohio Admin. Code § 5101:3-35-05(G) states that documentation for the provision of each service must be maintained and include the date the activity was provided, a description of the service, procedure and method provided, group size, duration in minutes or time in/time out and signature or initials of the person delivering the service. In addition, Ohio Admin. Code § 5101:3-35-05(C)(13) states that services provided on days or at times when the recipient is not in attendance are not allowable for reimbursement.

We limited our examination to ensuring documentation was present for services rendered, that the definition of the procedural code billed was consistent with the service documented (including limitations), the units billed matched the minutes documented, the date of the service on the documentation matched the service date billed and the recipient was in attendance on the date of service.

We reviewed 624 services in our random sample and identified the following errors:

- 6 services in which there was no service documentation;
- 4 services in which the recipient was absent on the date of service;
- 3 services in which the time documented did not meet the minimum time required for the procedural code billed; and
- 1 service which exceeded the number of services allowed in a 12 month period.

The Provider had service documentation which included a start and end time and a detailed treatment note for the four services in which school attendance records show that the recipient was absent on the date of service.

The overpayments associated with the 14 errors described above were included in the finding amount of $17,737.96.

In addition, we noted nine services in which the date of service on the clinical documentation did not match the date of service billed. The date billed was generally prior to the date on the service documentation. These services were for initial assessments including a hearing test, a developmental screen and speech, occupational therapy and mental health evaluations. We reviewed the claims data and found no additional reimbursements for these services around the same time frame which would have indicated a duplicate billing. As such, we concluded these services were non-compliant but did not identify an overpayment for them.

Recommendation:

The Provider should develop and implement internal controls to ensure that only services actually rendered are billed, that the proper procedure code is billed and that services are billed within limitations. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

D. Individualized Education Programs

Services not indicated on the recipient's IEP prior to the provision of the service are not allowable for reimbursement. In addition, the IEP shall include specific services, including the amount, duration and frequency. Ohio Admin. Code §§ 5101:3-35-05(C)(11) and 5101:3-35-05(F)(3)

We identified 68 services where Provider billed for services not authorized on the IEP or billed for more units than were authorized on the IEP. We also identified two services in which there was no IEP including one service for a recipient who was not a student in the Provider's program. The overpayments associated with these 70 errors were included in the finding amount of $17,737.96.

Recommendation:

The Provider should develop and implement internal controls to ensure only services specified in the IEP are billed to Ohio Medicaid. The Provider should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

APPENDIX I

POPULATION
The population is all paid Medicaid School Program services, 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. This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLE UNIT
The primary sampling unit was a Medicaid recipient and paid services were the secondary units.

SAMPLE DESIGN
We used a simple cluster random sample.

Summary of Sample Record Analysis
For the period July 1, 2011 to June 30, 2013

Description	Results
Number of Population Recipients (Primary Units)	64
Number of Population Recipients Sampled	20
Number of Population Recipients Sampled with Errors	19
Number of Population Paid Services Provided (Secondary Units)	1,572
Number of Paid Services in Sampled Recipients	624
Number of Paid Services in Sampled Recipients with Errors	351
Total Medicaid Amount Paid for Population	$42,163.04
Amount Paid for Population Services Sampled	$16,095.87
Projected Population Overpayment Amount (Point Estimate)	$21,407.52
Precision of Estimate at 95 Percent Confidence Level	$4,358.99
Precision of Estimate at 90 Percent Confidence Level	$3,669.56
Single-tailed Lower Limit Overpayment Estimate at 95 Percent Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) (Equivalent to the estimate method used for Medicare audits)	$17,737.96

Source: Analysis of MITS information and the Provider's records

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SUMMIT ACADEMY COMMUNITY SCHOOL CINCINNATI

HAMILTON 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 29, 2015

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