



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 PAYMENTS FOR BEHAVIORAL HEALTH SERVICES

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Bloom of Grace Rehab LLC dba Surest Path Recovery Center
Ohio Medicaid Number: 0300591 National Provider Identifier: 1558861120

We examined compliance with specified Medicaid requirements for select payments during the period of January 1, 2020 through December 31, 2022 for Bloom of Grace Rehab LLC dba Surest Path Recovery Center.

We tested the following select payments:

- All instances in which a service was billed during a recipient's potential inpatient hospital stay;
 - All instances in which multiple per diem services were billed on an RDOS¹;
 - Payments for five admissions with greater than 30 days of consecutive service;
 - A random sample of acute detox payments; and
 - A random sample of residential treatment payments.

Surest Path Recovery Center 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.

Management of Surest Path Recovery Center 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 Surest Path Recovery Center'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 Surest Path Recovery Center complied, in all material respects, with the specified requirements detailed in the Compliance Section. We are required to be independent of Surest Path Recovery Center and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

An examination involves performing procedures to obtain evidence about whether Surest Path Recovery Center 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,

¹ An RDOS is defined as all services for a given recipient on a specific date of service.

Bloom of Grace Rehab LLC dba Surest Path Recovery Center
Sandusky County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program
Page 2

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 Surest Path Recovery Center's compliance with the specified requirements.

Internal Control over Compliance

Surest Path Recovery Center 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 Surest Path Recovery Center's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, multiple per diem services were billed on an RDOS even though only one per diem service was rendered.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matter described in the Basis for Qualified paragraph, Surest Path Recovery Center has complied in all material respects, with the select requirements for the selected payments for the period of January 1, 2020 through December 31, 2022.

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 Surest Path Recovery Center's compliance with other requirements.

We identified improper Medicaid improper payments in the amount of \$7,543.67 This finding plus interest in the amount of \$957.43 (calculated as of July 9, 2024) totaling \$8,501.10 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 in accordance with Ohio Admin. Code 5160-1-27. If waste and abuse² 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 in accordance with Ohio Admin. Code 5160-1-29(B).

This report is intended solely for the information and use of Surest Path Recovery Center, 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 12, 2024

² "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).

Bloom of Grace Rehab LLC dba Surest Path Recovery Center
Sandusky County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

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. Per Ohio Admin. Code 5160-1-17.2(D) and (E), providers must furnish such records for audit and review purposes.

Surest Path Recovery Center is an Ohio Department of Mental Health and Addiction Services certified agency (provider type 95) with locations in Fremont and Bloomville. Surest Path Recovery Center received payment of approximately \$13.2 million including managed care and fee-for-service (FFS) claims for approximately 49,000 substance use disorder (SUD) services.³

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Surest Path Recovery Center'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, as specified below, for which Surest Path Recovery Center billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained Surest Path Recovery Center's FFS claims from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We also obtained paid claims data from three of Ohio's managed care entities (MCE) and confirmed the services were paid to Surest Path Recovery Center's tax identification number. From the combined FFS and MCE claims data, we removed services paid at zero, third-party payments, co-pays, Medicare crossover claims and claims previously recouped. From the remaining total paid services, we selected the following payments:

- All instances in which a residential treatment service (procedure code H2036) was billed during a potential inpatient hospital stay (Recipients with Potential Inpatient Stay Exception Test);
- All instances in which multiple per diem services (procedure codes H0010, H0011 and H2036) were billed on an RDOS (Multiple Per Diem Services on an RDOS Exception Test);
- Payments for five admissions with greater than 30 consecutive dates of service (procedure code H2036) (Five Admissions with Greater than 30 Consecutive Dates of Service Exception Test);
- A random sample of acute detox (H0011) payments (Acute Detox Sample); and
- A random sample of residential treatment (H2036) payments (Residential Treatment Sample).

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

Table 1: Exception Tests and Samples			
Universe	Population Size	Sample Size	Selected Payments
Exception Tests			
Recipients with Potential Inpatient Stay			5
Multiple Per Diem Services on an RDOS			48

³ Payment data from the Medicaid Information Technology System (MITS).

Bloom of Grace Rehab LLC dba Surest Path Recovery Center
 Sandusky County
 Independent Auditor's Report on
 Compliance with Requirements of the Medicaid Program

Table 1: Exception Tests and Samples			
Five Admissions with Greater than 30 Consecutive Dates of Service			100
Samples			
Acute Detox	10,528	84	100
Residential Treatment	21,207	84	100
Total			353

A notification letter was sent to Surest Path Recovery Center setting forth the purpose and scope of the examination. During the entrance conference, Surest Path Recovery Center described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used and reviewed service documentation. We sent preliminary results to Surest Path Recovery Center, 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.

Table 2: Results				
Universe	Payments Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Tests				
Recipients with Potential Inpatient Stay	5	0	0	\$0.00
Multiple Per Diem Services on an RDOS	48	24	24	\$6,757.95
Five Admissions with Greater than 30 Consecutive Dates of Service	100	0	0	\$0.00
Samples				
Acute Detox	100	2	2	\$785.72
Residential Treatment	100	0	0	\$0.00
Total	353	26	26	\$7,543.67

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.

We identified six administrative staff and owners and compared their names to the Office of Inspector General exclusion database and the Department's exclusion/suspension list. We found no matches.

Bloom of Grace Rehab LLC dba Surest Path Recovery Center
Sandusky County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

B. Service Documentation

In accordance with Ohio Admin. Code 5160-27-02(H), providers shall maintain treatment records and progress notes as specified in rules 5160-1-27 and 5160-8-05 of the Ohio Administrative Code.

Per Ohio Admin. Code 5160-8-05(F), documentation requirements include the date, time of day, and duration of service contact. In addition, each record is expected to bear the signature and indicate the discipline of the professional who recorded it.

We obtained service documentation from Surest Path Recovery Center and compared it to the required elements.

Recipients with Potential Inpatient Stay Exception Test

The five payments examined consisted of two recipients in which the reported date of service occurred during a potential inpatient hospital stay. We requested verification from the rendering hospital to confirm dates of admission and discharge for the two recipients. The rendering hospital for one recipient did not respond to our request for confirmation; therefore, we were unable to determine whether services were billed during a hospital stay. The hospital for the remaining recipient confirmed the dates of admission and discharge and the services billed were outside of these dates. Surest Path Recovery Center provided service documentation to support the five payments.

Multiple Per Diem Services on an RDOS Exception Test

The 48 payments examined consisted of 24 instances in which more than one per diem service was billed on an RDOS even though only one per diem service was provided.

These 24 errors resulted in an improper payment of \$6,757.95.

Five Admissions with Greater than 30 Consecutive Dates of Service Exception Test

We did not examine service documentation for the 100 payments in this exception test.

Acute Detox Sample

The 100 payments examined contained two instances in which there was no service documentation to support the payment.

These two errors resulted in an improper payment of \$785.72.

Residential Treatment Sample

The 100 payments examined contained documentation that met the requirements tested.

Recommendation

Surest Path Recovery Center 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, Surest Path Recovery Center should implement a quality review process to ensure that documentation is complete, accurate and present prior to submitting claims for payment. Surest Path Recovery Center should address the identified issues to ensure compliance with the Medicaid rules and avoid future findings.

Bloom of Grace Rehab LLC dba Surest Path Recovery Center
Sandusky County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

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 in accordance with Ohio Admin. Code 5160-27-02(H) and 5160-8-05(F).

Per Ohio Admin. Code 5160-27-09(F)(3)(a), prior authorization is required to support the medical necessity of a continued stay beyond 30 consecutive days of residential treatment.

We obtained treatment plans from Surest Path Recovery Center for the sampled payments and confirmed payments were supported by a signed treatment plan.

Five Admissions with Greater than 30 Consecutive Dates of Service Exception Test

The five admissions, consisting of 100 payments, did not require prior authorization because services at the beginning of each of the five stays were for inpatient detox which do not count toward the 30 consecutive days. As a result, none of the five admissions exceeded 30 days.

Acute Detox Sample

The 100 payments examined contained authorization for services reimbursed.

Residential Treatment Sample

The 100 payments examined contained authorization for services reimbursed.

We limited testing of authorization to provide services to the aforementioned tests.

Official Response

Surest Path Recovery Center declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



BLOOM OF GRACE REHAB LLC DBA SUREST PATH RECOVERY CENTER

SANDUSKY 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 8/29/2024

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This report is a matter of public record and is available online at
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