



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: Exclusive Services, Inc.
Ohio Medicaid Numbers: 0171431, 0064132 and 0198150
National Provider Identifiers: 1174973499, 1700157591 and 1194177360

We were engaged to examine compliance with specified Medicaid requirements during the period of July 1, 2019 through December 31, 2021 for provider qualifications, service documentation and service authorization related to the provision of intensive outpatient level of care group counseling (hereafter referred to as IOP) billed with a date span for Exclusive Services, Inc.

We also tested the following select payments:

- Services billed with a date of service when the recipient was potentially a hospital inpatient;
- Telehealth and non-telehealth services for the same recipient date of service (RDOS¹); and
- Greater than one urine drug screen on the same RDOS.

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

Internal Control over Compliance

Exclusive Services 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 Exclusive Services' internal control over compliance.

Basis for Disclaimer of Opinion

Attestation standards established by the American Institute of Certified Public Accountants require that we request a written statement from Exclusive Services confirming, to the best of their knowledge and

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

belief, their representations made to us during the course of our compliance examination. We requested that Exclusive Services provide such a statement but Exclusive Services refused to do so.

Disclaimer of Opinion

Our responsibility is to express an opinion on Exclusive Services' 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 Exclusive Services' compliance with the specified Medicaid requirements for the period of July 1, 2019 through June 30, 2021.

We identified improper Medicaid improper payments in the amount of \$665,394.87. This finding plus interest in the amount of \$84,605.41 (calculated as of February 14, 2024) totaling \$750,000.28 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 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. Ohio Admin. Code § 5160-1-29(B).

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

February 14, 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).

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).

Exclusive Services is an Ohio Department of Mental Health and Addiction Services certified agency (Types 84 and 95) and received payment of \$1.2 million including managed care and fee-for-service payments for 5,693 services³. Exclusive Services is also a professional medical group (Type 21) but received no reimbursements under the associated provider number.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Exclusive Services' 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 and substance use disorder (SUD) services as specified below for which Exclusive Services billed with dates of service from July 1, 2019 through December 31, 2021 and received payment.

We obtained Exclusive Services' claims from the Medicaid database which contains services billed to and paid by Ohio's Medicaid program. We also obtained claims data from two Ohio managed care entities (MCEs) and verified that the services were paid to Exclusive Services' tax identification number. From the combined fee-for-service and MCE claims data, we removed services paid at zero and services with a third-party payment. From the remaining total paid services, we selected the following in this order:

- Services billed with a date of service when the recipient was potentially a hospital inpatient (Services While Potential Inpatient Exception Test);
- Telehealth and non-telehealth services rendered on the same RDOS (Telehealth and Non-Telehealth Services on the Same RDOS Exception Test);
- Greater than one urine drug screen on the same RDOS (Greater Than One Urine Drug Screen on an RDOS Exception Test); and
- IOP services billed with a date span (IOP Services Billed with a Date Span Sample).

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

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

Exclusive Services, Inc.
 Hamilton County
 Independent Auditor's Report on
 Compliance with Requirements of the Medicaid Program

Universe	Population Size	Sample Size	Selected Services
Exception Tests			
Services While Potential Inpatient ¹	9		9
Telehealth and Non-Telehealth Services on the Same RDOS ²	107		107
Greater Than One Urine Drug Screen on an RDOS (procedure code H0048)	15		15
Sample			
IOP Services Billed with a Date Span (procedure code H0015)	1,599 (Service Lines)	325 (Service Lines)	325 Service Lines (867 services) ³

¹ Services while potential inpatient include IOP (procedure code H0015), drug testing and collection (procedure code H0048), group counseling (procedure code H0005), and administration of medicine by health care agency (procedure code T1502).

² Telehealth and non-telehealth services on the same RDOS include psychiatric diagnostic evaluation (procedure code 90791), psychotherapy, 60 minutes (procedure code 90837), evaluation and management established patient, low level (procedure code 99213), evaluation and management established patient, moderate level (procedure code 99214), case management (procedure code H0006), IOP (procedure code H0015), methadone administration (procedure code H0020), drug testing and collection (procedure code H0048) and administration of medicine by health care agency (procedure code T1502).

³ Exclusive Services billed IOP by date spans. We selected 325 service lines which represent spans of service dates. Exclusive Services billed for 867 separate IOP services in the 325 selected service lines.

A notification letter was sent to Exclusive Services setting forth the purpose and scope of the examination. During the entrance conference, Exclusive Services described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used, reviewed service documentation, and verified professional licensure. We sent preliminary results to Exclusive Services and it submitted no additional documentation prior to the completion of our fieldwork.

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.

Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Tests				
Services While Potential Inpatient	9	9	18	\$1,102.88
Telehealth and Non-Telehealth Services on the Same RDOS	107	81	81	\$19,315.57
Greater than One Urine Drug Screen on an RDOS	15	11	12	\$173.76

Exclusive Services, Inc.
 Hamilton County
 Independent Auditor's Report on
 Compliance with Requirements of the Medicaid Program

Table 2: Results				
Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Sample				
IOP Services Billed with a Date Span (Results are Based on Service Lines)	325	325	708	\$644,802.66 ¹
Total	456	426	819	\$665,394.87

¹ A 100 percent error rate was identified in the sample therefore the improper payment amount is the total of the population from which the sample was drawn.

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 11 practitioners in the service documentation and compared their names to the Office of Inspector General exclusion database and the Department's exclusion/suspension list. We found no matches. We also compared identified administrative staff names to the same database and exclusion/suspension list and found no matches.

Licenses or Certifications

For the nine licensed practitioners and two certified practitioners identified in the documentation we verified via the e-License Ohio Professional Licensure System that their licenses or certifications were current and valid on the first date found in our selected services and were active during the remainder of the examination period.

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 Exclusive Services' documentation to the required elements. We also compared units billed to documented duration and we ensured the services met the duration requirements, where applicable. For errors where units billed exceeded the documented duration, the improper payment was based on the unsupported units.

Telehealth and Non-Telehealth Services on the Same RDOS Exception Test

The 107 services examined contained the following errors:

- 78 instances (73 percent) in which there was no documentation to support the payment;
- 2 instances in which the rendering practitioner was not indicated on the documentation; and
- 1 instance in which units reimbursed were greater than the documented units.

These 81 errors resulted in the improper payment amount of \$19,315.57.

B. Service Documentation (Continued)

Greater Than One Urine Drug Screen on an RDOS Exception Test

The 15 services examined contained 11 instances (73 percent) in which there was no documentation to support the payment. These 11 errors are included in the improper payment of \$173.76.

IOP Services Billed with a Date Span

The 325 service lines examined contained the following errors:

- 309 instances in which there was no documentation to support the payment for all of the services billed in the span (there was no documentation for 851 of the 867 services (98 percent));
- 16 instances in which the documentation supported one IOP service but there was no documentation to support the remaining IOP services in the span;
- 15 IOP services with documentation that did not meet the minimum required duration; and
- 1 service was billed with the wrong procedure code as the documentation indicated it was individual counseling.

These 341 errors are included in the improper payment of \$644,802.66.

Exclusive Services indicated that the lack of documentation was due to staffing problems, coupled with its practice of billing from the schedule and productivity logs. During this compliance examination, Exclusive Services reported that it had implemented a hiring freeze, were re-training its employees and had contracted with a third-party biller.

Recommendation

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

Exclusive Services billed an additional 1,651 IOP services that were not included in the scope of this compliance examination and received payment of over \$200,000 for these services. Due to the 100 percent error found in the sampled IOP services, the Department should determine if the additional IOP services were also non-compliant and take steps to recoup any additional improper payments.

C. Authorization to Provide Services

Treatment Plans

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 5160-8-05(F).

IOP Services Billed with a Date Span

The 325 service lines examined contained the following errors:

C. Authorization to Provide Services (Continued)

- 165 instances in which the treatment plan did not authorize the IOP services in the span;
- 159 instances in which there were no treatment plans to cover the dates of service in the span; and
- 43 instances in which the treatment plan that covered the dates in the span was not signed by the professional who recorded it.

These 367 errors are included in the improper payment of \$644,802.66.

We did not test service authorization in the exception tests.

Recommendation

Exclusive Services should develop and implement procedures to ensure that services are authorized by a treatment plan and that treatment plans fully comply with requirements contained in the Ohio Medicaid rules prior to submitting claims for payment. Exclusive Services should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

D. Medicaid Coverage

Requirements of Medicaid Provider Agreement

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 performed.

Services While Potential Inpatient Exception Test

We confirmed that the nine payments examined were for dates of service when the recipients were hospital inpatients and Exclusive Services had no service documentation for the services. These nine errors are included in the improper payment of \$1,102.88.

Greater Than One Urine Drug Screen on an RDOS

The 15 services examined included seven instances in which two urine drug screens were reimbursed on the same RDOS and one instance in which three urine drug screens were reimbursed on same RDOS. Exclusive Services lacked documentation to support the payments for multiple drug screens for each of the eight instances in which greater than one urine drug screen was billed on an RDOS.

Recommendation

Exclusive Services should ensure that services billed to Medicaid are consistent with limitations contained in the Ohio Rev. Code. Exclusive Services should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

Official Response

Exclusive Services declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



EXCLUSIVE SERVICES, INC.

HAMILTON 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 4/9/2024

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