



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH 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: Eastway Corporation dba Eastway Behavioral Healthcare  
Ohio Medicaid Numbers: 02017558, 0078525 and 0338146  
National Provider Identifiers: 1811920556, 1013254986 and 1811452998

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation, service authorization and coverage limitations related to the provision of select behavioral services as listed below during the period of January 1, 2021 through December 31, 2023 for Eastway Corporation which does business as Eastway Behavioral Healthcare (Eastway). We tested the following services:

- All instances in which a 15-minute unit group therapeutic behavioral service (TBS) was potentially billed for the same recipient on the same day as a per-diem group TBS;
- All instances in which more than one per-diem group TBS was billed for the same recipient on the same day;
- A sample of service in which a mental health nursing service was billed for the same recipient on the same day as an office visit;
- A recipient date of service (RDOS)<sup>1</sup> sample of psychosocial rehabilitation services;
- A RDOS sample of individual psychotherapy services;
- A RDOS sample of community psychiatric supportive treatment (CPST) services; and
- A sample of remaining group TBS services.

Eastway 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 so as to fully disclose the extent of services provided and significant business transactions. Management of Eastway 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 Eastway'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 Eastway complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Eastway and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

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<sup>1</sup> A RDOS is defined as all service for a given recipient on a specific date of service.

An examination involves performing procedures to obtain evidence about whether Eastway 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 Eastway's compliance with the specified requirements.

### ***Internal Control over Compliance***

Eastway 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 Eastway's internal control over compliance.

### ***Basis for Qualified Opinion***

Our examination disclosed that, in a material number instances, Eastway received duplicate payments for TBS services and did not have the documentation to support the selected mental health registered nursing (RN) services.

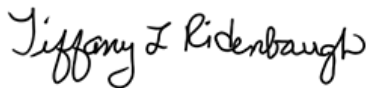
### ***Qualified Opinion on Compliance***

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Eastway has complied, in all material respects, with the select requirements for the selected services for the period of January 1, 2021 through December 31, 2023. 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 Eastway's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$8,309.15. This finding plus interest in the amount of \$500.26 (calculated as of July 23, 2025) totaling \$8,809.41 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 per Ohio Admin. Code 5160-1-27.

This report is intended solely for the information and use of Eastway, 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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

September 2, 2025

## 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.

Eastway is an Ohio Department of Mental Health and Addiction Services certified agency (provider types 84 and 95) and a professional medical group (type 21) with nine locations around Dayton, Ohio. Eastway received payment of approximately \$34 million under the provider numbers examined for over 442,000 services.<sup>2</sup> Eastway Corporation is doing business as Eastway Behavioral Healthcare which is a registered fictitious name with the Ohio Secretary of State.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Eastway'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 behavioral health services, as specified below, for which Eastway billed with dates of service from January 1, 2021 through December 31, 2023 and received payment.

We obtained paid claims data from two Medicaid managed care entities (MCEs) and confirmed services were paid to Eastway's tax identification number. From the MCE claims data, we removed all services paid at zero and reversed claims. The scope of our examination included testing procedures related to select services as identified in the Independent Auditor's Report. The exception tests and calculated sample sizes are shown in **Table 1**.

<b>Table 1: Exception Tests and Samples</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Tests</b>			
15-Minute Group TBS (H2019) and Per-Diem Group TBS (H2020) on Same RDOS			90
Duplicate TBS Services (H2020)			55
<b>Samples</b>			
Mental Health Nursing Services (H2019)	113	60	60
E&M Visits on Same RDOS <sup>3</sup>			60
Total			120
Psychosocial Rehabilitation Services (H2017)	20,560 RDOS	60 RDOS	84
Individual Psychotherapy Services (90837)	3,127 RDOS	60 RDOS	60
CPST Services (H0036)	10,826 RDOS	60 RDOS	79
TBS Services (H2020)	19,752	81	81
<b>Total</b>			<b>569</b>

<sup>2</sup> Based on payments from the Medicaid claims database.

<sup>3</sup> These services consisted of procedure codes 99204, 99205, 99213, 99214 and 99215.

## Purpose, Scope, and Methodology (Continued)

A notification letter was sent to Eastway setting forth the purpose and scope of the examination. During the entrance conference, Eastway 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 Eastway 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.

<b>Table 2: Results</b>				
<b>Universe</b>	<b>Services Examined</b>	<b>Non-compliant Services</b>	<b>Non-compliance Errors</b>	<b>Improper Payment</b>
<b>Exception Tests</b>				
15-Minute Group TBS and Per-Diem Group TBS on Same RDOS	90	8	8	\$299.04
Duplicate TBS Services	55	55	55	\$7,743.99
<b>Samples</b>				
Mental Health Nursing and E&M Visits on Same RDOS	120	0	0	\$0.00
Psychosocial Rehabilitation Services	84	0	0	\$0.00
Individual Psychotherapy Services	60	0	0	\$0.00
CPST Services	79	1	1	\$35.96
TBS Services	81	2	2	\$230.16
<b>Total</b>	<b>569</b>	<b>66</b>	<b>66</b>	<b>\$8,309.15</b>

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

#### *Licensure*

For the 70 licensed/certified practitioners identified in the service documentation for the selected services, we verified via the e-license Ohio Professional Licensure System that their licenses or certifications were current and valid on the selected services dates.

## **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 Admin. 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 and compared service documentation from Eastway to the required elements and units billed to documented duration to ensure 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.

### *15-Minute Group TBS and Per-Diem Group TBS on Same RDOS Exception Test*

The 90 services examined contained 45 instances in which the claims data indicated a per-diem group TBS and a 15-minute unit group TBS were billed for the same recipient on the same day. The service documentation provided by Eastway indicated that a group mental health RN service was billed on the same day as a per-diem group TBS service rather than a 15-minute unit group TBS.<sup>4</sup> There were eight instances in which there was no documentation to support a selected service. These eight errors resulted in the improper payment amount of \$299.04.

### *Mental Health Nursing and E&M Visits on Same RDOS Sample*

All 120 sampled services were supported by documentation that contained the required elements.

### *Psychosocial Rehabilitation Services Sample*

All 84 services examined were supported by documentation that contained the required elements.

### *Individual Psychotherapy Services Sample*

All 60 services examined were supported by documentation that contained the required elements.

### *CPST Services Sample*

The 79 services examined contained one instance in which there was no documentation to support the service. This error resulted in an improper payment of \$35.96.

### *TBS Services Sample*

The 81 services examined contained two instances in which the length of the service did not meet the required minimum duration of two hours and 30 minutes per Ohio Admin. Code 5160-27-06(B). These two errors resulted in an improper payment of \$230.16.

## **Recommendation**

Eastway should develop and implement procedures to ensure that all service documentation and billing practices fully complies with requirements contained in Ohio Medicaid rules. In addition, Eastway should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. Eastway should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

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<sup>4</sup> Both 15-minute unit TBS and mental health RN services are billed using procedure code H2019.

### **C. Service Authorization**

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).

We obtained treatment plans from Eastway to confirm if the treatment plan indicated the service examined and was signed by the recording practitioner. We limited our testing of treatment plans to the sampled services below.

#### *Psychosocial Rehabilitation Services Sample*

All 84 services examined were supported by a signed treatment plan.

#### *Individual Psychotherapy Services Sample*

All 60 services examined were supported by a signed treatment plan.

#### *CPST Services Sample*

The 79 services examined were supported by a signed treatment plan.

#### *TBS Services Sample*

The 81 services examined were supported by a signed treatment plan.

### **D. Medicaid Coverage**

#### *Duplicate TBS Services Exception Test*

Per Ohio Admin. Code 5160-27-06(C), a Medicaid recipient can receive one therapeutic behavioral group service per-diem service per day per provider.

All 55 services examined were duplicate per-diem TBS reimbursements. These 55 errors resulted in an improper payment amount of \$7,743.99.

### **Recommendation**

Eastway should ensure that services billed to Medicaid and payments received are consistent with coverage and limitations contained in the Ohio Admin. Code. Eastway should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

### **Official Response**

Eastway declined to submit an official response to the results stated above.



# OHIO AUDITOR OF STATE KEITH FABER



**EASTWAY CORPORATION DBA EASTWAY BEHAVIORAL HEALTHCARE  
MONTGOMERY 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 9/16/2025**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)