



OHIO AUDITOR OF STATE
KEITH FABER





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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: Meridian Healthcare
Ohio Medicaid Numbers: 0095633, 2863781 and 2864520
National Provider Identifiers: 1225455082, 1407115298 and 1356307235

We examined compliance with specified Medicaid requirements for select payments during the period of January 1, 2020 through December 31, 2022 for Meridian Healthcare. We tested the following services:

- All instances in which a service was billed during a potential inpatient stay;
- DOS¹ with the highest number of services rendered by one practitioner;
- All services in a selected time span for a selected recipient;
- Urine drug screen services exceeding limitations on an RDOS²; and
- A sample of alcohol and/other drug treatment program services.

Meridian Healthcare 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 Meridian Healthcare 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 Meridian Healthcare'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 Meridian Healthcare complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Meridian Healthcare 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 Meridian Healthcare 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 Meridian Healthcare's compliance with the specified requirements.

¹ DOS is defined as a date of service

² RDOS is defined as all services for a recipient on a specified date of service

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Internal Control over Compliance

Meridian Healthcare 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 Meridian Healthcare's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, Meridian Healthcare billed for services when a recipient was potentially an inpatient at the hospital, billed urine drug screens exceeding the limitations, and billed alcohol and/or other drug treatment program per diem services without a treatment plan.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Meridian Healthcare 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 Meridian Healthcare's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$5,282.85. This finding plus interest in the amount of \$971.54 (calculated as of June 17, 2025) totaling \$6,254.39 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 Meridian Healthcare, 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

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

July 9, 2025

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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.

Meridian Healthcare is a Professional Medical Group and Ohio Department of Mental Health and Addiction Services certified agency (provider types 21, 84 and 95) located in Mahoning County. Meridian Healthcare received payment of approximately \$37.4 million including managed care entity (MCE) and fee-for-service (FFS) payments for 688,726 services.³

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Meridian Healthcare'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 Meridian Healthcare billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained Meridian Healthcare'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 two MCEs and confirmed the services were paid to Meridian Healthcare's tax identification number. From the combined FFS and MCE claims data, we removed services paid at zero, third-party payments, co-pays and Medicare crossover claims.

The scope of the examination was limited to FFS claims and encounters from two MCEs and included testing procedures related to the select services as identified in the Independent Auditor's Report.

Table 1 contains the behavioral health procedure codes selected for this examination.

Table 1: Behavioral Health Services	
Procedure Code	Description
82075	Alcohol (ethanol), breath laboratory services
99213	Office/outpatient visit, established
90832	Individual Psychotherapy – 30 Minutes
90834	Individual Psychotherapy – 45 Minutes
H0006	Alcohol and/or Drug Services, Case Management
H0011	Alcohol and/or drug services; acute detoxification
H0048	Urine Drug screening, Collection and Handling
H0020	Alcohol/drug svc-methadone admin/service
H2036	Alcohol and/or other drug treatment program, per diem.

³ Payment database from the Medicaid claims database.

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Table 1: Behavioral Health Services	
J0572	Buprenorphine/naloxone oral </=3mg buprenorphine
J0574	Buprenorphine/naloxone oral >/=6mg but </= 10 mg
J0575	Buprenorphine/naloxone oral > 10mg buprenorphine
S5001	Brand name prescription drug
T1502	Admin of med by health care agency/prof-visit

Source: Appendix to Ohio Admin. Code 5160-27-03 and Medicaid claims database Procedure Description

The exception tests and calculated sample sizes are shown in **Table 2**.

Table 2: Exception Tests and Sample			
Universe	Population Size	Sample Size	Selected Services
Exception Tests			
All Services Billed During Potential Inpatient Stay ¹			8
DOS with the Highest Number of Services Rendered by One Practitioner ²			178
All Services in a Selected Time Span for a Selected Recipient ³			120
Urine Drug Screen Services Exceeding Limitations on a RDOS (procedure code H0048)			32
Sample			
Alcohol and/other Drug Treatment Program Services (procedure code H2036)	11,319	85	85
Total			423

¹Includes procedure codes H0006, H0011 and H0048

²Includes procedure codes H0020, J0572, J0574, J0575, S5001 and T1502

³Includes procedure codes 82075, 99213, 90832, 90834, H0048, J0572, J0574, S5001, and T1502

A notification letter was sent to Meridian Healthcare setting forth the purpose and scope of the examination. During the entrance conference, Meridian Healthcare 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 Meridian Healthcare 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 3**. 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.

Table 3: Results				
Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Tests				
All Services Billed During Potential Inpatient Stay	8	8	10	\$1,644.54
DOS with the Highest Number of Services Rendered by One Practitioner	178	0	0	\$0.00

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Table 3: Results				
All Services in a Selected Time Span for a Selected Recipient	120	0	0	\$0.00
Urine Drug Screen Services Exceeding Limitations on a RDOS	32	16	16	\$231.68
Sample				
Alcohol and/other Drug Treatment Program Services	85	13	13	\$3,406.63
Total	423	37	39	\$5,282.85

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 10 rendering practitioners in the service documentation for the selected services and compared their names, and the names of the administrators, to the Office of Inspector General exclusion database and the Department's exclusion/suspension list and found no matches.

Licensure/Certification

For the seven licensed/certified practitioners identified in the service documentation, we verified via the e-License Ohio Professional Licensure System that their licenses/certifications were current and valid on the first date found in our selected payments and were active during the remainder of the examination period. We identified no errors.

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, type, and duration of service contact. We obtained service documentation from Meridian Healthcare and compared it to the required elements.

All Services Billed During Potential Inpatient Stay Exception Test

The eight payments examined consisted of four recipients in which the reported date of service occurred during a potential inpatient stay. We requested verification from the rendering hospitals to confirm dates of admission and discharge for each service. One of the rendering hospitals did not respond to our request for confirmation; therefore, we were unable to determine whether the six associated services were billed during the hospital stay. Also, no documentation was submitted by Meridian to support the eight payments. In addition, two payments examined were confirmed by the hospital to be during an inpatient stay.

These 10 errors resulted in the improper payment amount of \$1,644.54.

DOS with the Highest Number of Services Rendered by One Practitioner Exception Test

The 178 services examined were compliant with the criteria tested for service documentation.

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B. Service Documentation (Continued)

All Services in a Selected Time Span for a Selected Recipient Exception Test

The 120 services examined were compliant with the criteria tested for service documentation.

Alcohol and/other Drug Treatment Program Services Sample

The 85 payments examined contained four instances in which there was no documentation to support that the recipient received services on the date tested. These four errors are included in the improper payment amount of \$3,406.63.

Recommendation

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

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, 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).

In addition, Ohio Admin. Code 5160-27-09(A) states, "For the purpose of medicaid reimbursement, substance use disorder treatment services shall be defined by and shall be provided according to the American society of addiction medicine also known as the ASAM treatment criteria for addictive, substance related and co-occurring conditions for admission, continued stay, discharge, or referral to each level of care." The ASAM Criteria states "treatment planning should be a continuous process, with updates incorporated as needed when new information is learned or the patient's circumstances evolve."

We obtained treatment plans, as applicable, from Meridian Healthcare and for the sampled payments. We reviewed all payments to determine if they were supported by a signed treatment plan.

Alcohol and/other Drug Treatment Program Services Sample

The 85 payments examined contained the following errors:

- Six instances in which there was no treatment plan to authorize services;
- Two instances in which the treatment plan was not signed by a qualified practitioner; and
- One instance in which the treatment plan did not authorize the service rendered.

These nine errors are included in the improper payment amount of \$3,406.63.

Recommendation

Meridian Healthcare should establish a system to ensure that signed treatment plans authorizing the service are obtained prior to rendering services and subsequently submitting a claim to the Department. Meridian Healthcare should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

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D. Medicaid Requirements

Limitations

According to Ohio Admin. Code 5160-27-02(C)(2), substance abuse urine drug screening is limited to one per day, per recipient.

Urine Drug Screen Services Exceeding Limitations on a RDOS Exception Test

The 32 payments examined contained 16 instances in which the limitation was exceeded. These 16 errors resulted in an improper payment of \$231.68.

Recommendation

Meridian Healthcare should develop and implement controls to ensure that services exceeding limitations are not billed unless prior authorization is obtained. Meridian Healthcare should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

Official Response

Meridian Healthcare declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



MERIDIAN HEALTHCARE

MAHONING 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 8/5/2025

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