



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: Open Water Counseling and Recovery, LLC
Ohio Medicaid Numbers: 0411611 and 0412026
National Provider Identifiers: 1932747888 and 1447877147

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of select behavioral health services as listed below during the period of January 1, 2021 through December 31, 2023 for Open Water Counseling and Recovery, LLC (Open Water). We tested the following services:

- All services billed on a select date of service (DOS) and for two rendering practitioners;
- A sample of community psychiatric supportive treatment (CPST) services; and
- A sample of individual psychotherapy (60 minutes) services.

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

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Internal Control over Compliance

Open Water 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 Open Water's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, Open Water billed more units of CPST than was supported by service documentation or there was no documentation to support the CPST payment.

Qualified Opinion on Compliance

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

We identified improper Medicaid payments in the amount of \$1,553.13. This finding plus interest in the amount of \$145.21 (calculated as of May 8, 2025) totaling \$1,698.34 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 Open Water, 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

June 2, 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.

Open Water is an Ohio Department of Mental Health and Addiction Services certified agency (provider types 84 and 95) located in Warren, Ohio. Open Water received payment of approximately \$792,000 including managed care and fee-for-service (FFS) for over 9,300 mental health and substance use disorder services.¹

Purpose, Scope, and Methodology

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

We obtained Open Water'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 Medicaid managed care entities (MCEs) and confirmed the services were paid to Open Water's tax identification number. From the FFS and MCE claims data, we removed services paid at zero, third-party payments, co-payments, adjustments and Medicare crossover claims. The scope of our examination includes testing procedures related to 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
90832	Individual Psychotherapy, 30 minutes
90834	Individual Psychotherapy, 45 minutes
90837	Individual Psychotherapy, 60 minutes
H0036	CPST

Source: Appendix to Ohio Admin. Code 5160-27-03

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

¹ Payment data from the Medicaid Claims Database.

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Purpose, Scope, and Methodology (Continued)

Table 2: Exception Tests and Samples			
Universe	Population Size	Sample Size	Selected Services
Exception Test			
Select Rendering Practitioner DOS ¹			37
Samples			
CPST Services (H0036)	1,526 RDOS ²	60 RDOS	60
Psychotherapy Services (90837)	2,314 RDOS	80 RDOS	80
Total			177

¹ This test included procedure codes 90832, 90834 and H0036.

² A RDOS represents a recipient date of service which is defined as all services for a given recipient on a specific date of service.

A notification letter was sent to Open Water setting forth the purpose and scope of the examination. During the entrance conference, Open Water described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health records system used, reviewed service documentation, and verified professional licensure. We sent preliminary results to Open Water, and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of 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 Test				
Select Rendering Practitioner DOS	37	17	22	\$445.48
Samples				
CPST	60	31	31	\$918.38
Psychotherapy 60 minutes	80	2	2	\$189.27
Total	177	50	55	\$1,553.13

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 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.

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A. Provider Qualifications (Continued)

Licensure and Medicaid Enrollment

For the nine 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 first date of service and were active during the remainder of our examination period. The remaining practitioner was not required to be licensed to provide the selected services.

In accordance with Ohio Admin. Code 5160-1-17, the Department requires that providers and practitioners who want to furnish Medicaid covered services to Medicaid recipients enroll as Medicaid providers. This includes both providers and practitioners who will submit claims seeking reimbursement for services furnished to Medicaid recipients and rendering practitioners who are employed by provider groups or organizations who will submit claims to the department for payment.

We searched the Medicaid Information Technology System and verified that each rendering practitioner had an active Medicaid provider number on the first date found in our selected services and was active during the remainder of the examination period.

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 service documentation from Open Water and compared it to the required elements. We also compared units billed to documented duration and ensured the services met the duration requirements, where applicable. Instances where the units billed exceeded documented duration or without the appropriate modifier, the improper payment was based on the unsupported units and/or the difference in the modified rate.

Select Rendering Practitioner DOS Exception Test

The 37 services examined consisted of 19 recipients with services rendered by the same practitioner (Practitioner A) on August 24, 2022 and 18 recipients with services rendered by the same practitioner (Practitioner B) on July 21, 2023. Practitioner A documented 30-minute CPST sessions from 8:30 AM to 4:00 PM with no breaks in service. Practitioner B documented psychotherapy services from 8:19 AM to 4:07 PM with an average of three minutes in between sessions.

There were 12 instances in which the units billed exceeded the documented duration and 10 instances in which the documented service times overlapped with another service rendered by the same practitioner and was billed without the required HQ modifier. These 22 errors resulted in the improper payment amount of \$445.48.

CPST Services Sample

The 60 services examined contained four instances in which there was no documentation to support the payment and 26 instances in which the units billed exceeded the documented duration. These 30 errors are included in the improper payment of \$918.38.

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B. Service Documentation (Continued)

All 26 instances in which the units billed exceeded the documented duration in the sample consisted of services billed for three units though only two units were supported by the documentation. Open Water indicated that this was due to a software integration error and connection issues between the billing and charting software. We performed an analysis that identified 940 of 1,531 CPST services in which three units were billed. Our sample identified 60 percent of the 42 three-unit services sampled were overbilled. Therefore, the calculated payment differential on all 564 services (60 percent) in the population indicates the total potential improper payment for these services to be approximately \$11,000.

Psychotherapy Services Sample

The 80 services examined contained one instance in which there was no documentation to support the payment. This error is included in the improper payment of \$189.27.

Recommendation

Open Water 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, Open Water should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. Open Water should address the identified issues to ensure compliance with Medicaid rules and avoid future findings. In addition, we recommend Open Water exercise reasonable diligence to identify, report and return any overpayments from any additional instances in which CPST services were billed in excess of the documented duration.

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).

We obtained treatment plans from Open Water 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 sampled services.

CPST Services Sample

The 60 services examined contained one instance in which there was no treatment plan authorizing the service. This error is included in the improper payment amount \$918.38.

Psychotherapy Services Sample

The 80 services examined contained one instance in which there was no treatment plan authorizing the service. This error is included in the improper payment amount \$189.27.

Recommendation

Open Water should develop and implement controls to ensure that all services billed are authorized by a signed treatment plan. Open Water should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

Official Response

Open Water declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



OPEN WATER COUNSELING AND RECOVERY, LLC

TRUMBULL 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 6/17/2025

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