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**CORNERSTONE PSYCHOLOGICAL SERVICES
MEDINA COUNTY**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO PSYCHOTHERAPY SERVICES

Suzanne LeSure, Ph.D.
Cornerstone Psychological Services
221 West Liberty Street
Medina, Ohio 44256

RE: *Medicaid Provider Number 0787420*

Dear Dr. LeSure:

We examined Cornerstone Psychological Services (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation, and treatment plans related to the provision of individual and family psychotherapy services during the period of January 1, 2009 through December 31, 2011. We tested service documentation to verify that there was support for the date of service and the procedure code paid by Ohio Medicaid. We also determined if treatment plans were present and examined provider qualifications. The accompanying Compliance Examination Report identifies the specific requirements examined.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients (the Provider Agreement). The Provider Agreement outlines the responsibility to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, and the regulations and policies set forth in the Medicaid Handbook including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Therefore, the Provider is responsible for complying with the requirements and laws outlined by the Medicaid program.

Auditor's Responsibility

Our responsibility is to express an opinion and report on the Provider's compliance with the specified Medicaid requirements based on our examination. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code and conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and, accordingly, included examining, on a test basis, evidence supporting the Provider's compliance with those Medicaid requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on the Provider's compliance with the specified Medicaid requirements.

Internal Control Over Compliance

The Provider 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 Provider's internal control over compliance.

Basis for Qualified Opinion on Medicaid Services

Our examination disclosed that in a material number of instances services were rendered by social workers who were not clinical psychology doctoral level interns completing required internships and are therefore uncovered services.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the Provider complied, in all material respects, with the aforementioned requirements pertaining to provider qualifications, service documentation and treatment plans for the period of January 1, 2009 through December 31, 2011.

Our testing was limited to the specified Medicaid requirements detailed in the Compliance Examination Report. We did not test other requirements and, accordingly, we do not express an opinion on the Provider's compliance with other requirements.

We found the Provider was overpaid by Ohio Medicaid for services rendered between January 1, 2009 and December 31, 2011 in the amount of \$5,206.57. This finding plus interest in the amount of \$415.85 totaling \$5,622.42 is due and payable to the Ohio Department of Medicaid (ODM) upon ODM's adoption and adjudication of this examination report. When the Auditor of State (AOS) identifies fraud, waste or abuse by a provider in an examination,¹ any payment amount in excess of that legitimately due to the provider will be recouped by ODM through its Fiscal Operations, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of the Ohio Department of Medicaid, the Medicaid Fraud Control Unit of the Ohio Attorney General's Office, the U.S. Department of Health and Human Services/Office of Inspector General, and other regulatory and oversight bodies, and is not intended to be, and should not be used by anyone other than these specified parties. In addition, copies are available to the public on the Auditor of State website at www.ohioauditor.gov.



Dave Yost
Auditor of State

September 4, 2014

¹ "Fraud" is an intentional deception, false statement, or misrepresentation made with the knowledge that the deception, false statement, or misrepresentation could result in some unauthorized benefit to oneself or another person. "Waste and abuse" are practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and that constitutes an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program. Ohio Admin. Code § 5160-1-29(A)

COMPLIANCE EXAMINATION REPORT FOR CORNERSTONE PSYCHOLOGICAL SERVICES

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 that providers must follow are specified in the Ohio Administrative Code and the Ohio Revised Code. The fundamental concept underlying the Medicaid program is medical necessity of services: defined as services which are necessary for the diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. See Ohio Admin. Code § 5160-1-01(A) According to Ohio Admin. Code § 5160-1-17.2(D), 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 or until any audit initiated within the six year period is completed. Providers must furnish such records for audit and review purposes. Ohio Admin. Code § 5160-1-17.2(E)

During the examination period, the Provider furnished psychological services to 117 Medicaid recipients and received total reimbursement of \$50,040.57 for 926 psychological services rendered on 550 dates of service.

Ohio Medicaid recipients may be eligible to receive psychological services provided by a licensed psychologist or a doctoral-level intern completing a required internship if certain requirements are met. Services must be medically necessary for the diagnosis and treatment of an illness or injury to be a covered Medicaid service. Psychological services include psychological and neuropsychological testing, therapeutic services, and diagnostic evaluations. See Ohio Admin. Code § 5160-8-05.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid claims for reimbursement 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 procedure code 90806: individual psychotherapy, in office, 40 to 50 minutes of face-to-face time with recipient and procedure code 90847: family psychotherapy with recipient present, that the Provider rendered to Medicaid recipients and received payment during the period of January 1, 2009 through December 31, 2011.

We received the Provider's claims history from the Medicaid Management Information System (MMIS) and the Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed any voids, services paid at zero, and services with third-party or Medicare co-payments. From the remaining sub-population we extracted all procedure code 90806 services and all procedure code 90847 services and stratified this sub-population. From the stratified sub-population we selected a stratified random sample of 261 services to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

An engagement letter was sent to the Provider May 6, 2014 setting forth the purpose and scope of the examination. An entrance conference was held on May 9, 2014. During the entrance conference the Provider described its documentation practices and processes for submitting billing to the Ohio Medicaid program. Our fieldwork was performed following the entrance conference.

Results

We reviewed 261 services provided on 217 unique dates of service and identified 47 errors. The overpayments identified for 45 of 261 services from our stratified statistical random sample were projected across the Provider's total sub-population of paid services. This resulted in a projected overpayment amount of \$6,721.00 with a precision of plus or minus \$1,503.00 at the 95 percent confidence level. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits). However, since one of the sample strata had a degree of skewness larger than our sample size would permit us to ignore, an additional correction for skewness was done to lower the projected finding amount to a final finding amount of \$5,206.57. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$5,206.57.

A. Provider Qualifications

Psychological services are required to be personally provided by a licensed psychologist meeting the qualifications in section 4732.10 of the Revised Code or by clinical psychology doctoral level interns completing required internships. See Ohio Admin. Code §§ 5101:3-8-05(B) and (F) A licensed psychologist is an individual holding a current, valid license to practice psychology. See Ohio Revised Code § 4732.01(F). In addition, according to Ohio Admin. Code § 5101:3-8-05(F) when services are provided by an intern, the psychologist must have a letter from the doctoral program on file covering the dates of services of the internship and the recipient's medical record must show that the requirements for reimbursement were met and that the psychologist reviewed, countersigned, and dated the notes in the medical record at least every week.

With the exception of clinical psychology doctoral level interns completing required internships, services provided by licensed individuals with whom the department does not have an individual provider agreement are not reimbursable even though the covered services are provided under the personal supervision of licensed psychologist with whom the department does have a provider agreement. See Ohio Admin. Code § 5101:3-8-05(G)(5)(a)

We verified through the Ohio e-License Center that the four psychologists who rendered services during our examination period were licensed through the Ohio Board of Psychology and that their licenses were in active status during the examination period.

We identified one doctoral level intern who rendered services during our examination period and we noted an application between the university and the Provider.

We identified 31 services rendered by social workers and are uncovered services. Some of these services were rendered by the doctoral level intern prior to and after the internship. We also identified one service provided by doctoral level intern that was not countersigned by a psychologist.

These 32 services rendered by licensed social workers were used in the overall finding projection of \$5,206.57.

Recommendation

The Provider should develop and implement procedures to ensure only services provided by licensed psychologists and doctoral level interns who meet the aforementioned requirements

are billed to Ohio Medicaid. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation

Ohio Admin. Code § 5101:3-8-05(I) states the recipient's medical record must contain at a minimum the date the service was provided, type of tests (including results) and/or type of therapies performed, face-to-face time spent with the recipient on testing or therapy, written interpretation by a psychologist of the tests and/or psychotherapy sessions and discipline and signature of the professional providing the service.

Our review of 261 psychotherapy services identified the following errors:

- 6 services in which an incorrect code was billed and reimbursed with 4 of these 6 errors resulting in an overpayment;
- 6 services in which there was no indication of face to face time with the recipient; and
- 3 services in which the provider did not sign the service documentation.

These 13 errors were used in the overall finding projection of \$5,206.57. The two services billed with incorrect codes which did not result in an overpayment were not used in the finding projection.

Recommendation:

The Provider should develop and implement procedures to ensure that all service documentation fully complies with requirements contained in Ohio Admin. Code § 5101:3-8-05. In addition, the Provider should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. Service Authorization

Ohio Admin. Code § 5101:3-4-29(H)(2) states that the recipient's medical record must substantiate the nature of the services billed including a treatment plan.

We noted a treatment plan for all services in our sample.

Provider Response

A draft report along with a detailed list of services which we identified as being non-compliant was mailed to the Provider on November 3, 2014, and the Provider was afforded an opportunity to respond to this examination report.

The Provider responded that interns and psychology assistants are no longer used at their facility and added that, "any future development of internships will pay strict attention to the start dates of the academic term in the university in which the intern is enrolled." The Provider also noted the position of psychology assistant was terminated in the beginning of 2014. In addition, the Provider stated that only the most commonly used CPT codes were included on the encounter forms and clinicians would hand write any variations to those codes. This caused confusion because the biller was not always able to identify the proper CPT code to bill. The Provider indicated that this issue was addressed by adding code 90846 to the encounter forms to improve the accuracy of billing.

Finally, the Provider reported that checking the accuracy of the CPT code to the documentation was added to their list of peer review indicators.

We did not examine the Provider's response and, accordingly, we express no opinion on **it**.

APPENDIX I
Summary of Statistical Sample Analysis
For the period January 1, 2009 to December 31, 2011

POPULATION

The population from which this subpopulation and sample was taken is all paid Medicaid services billed with procedure codes 90806 (individual psychotherapy office visit 45-50 minutes) and 90847 (family psychotherapy), net of any adjustments. Services involving third-party insurers or Medicare copayments were excluded from this sample subpopulation.

SAMPLING FRAME

The sampling frame was paid and processed claims from MMIS and MITS. These systems contain all Medicaid payments, and all adjustments made to Medicaid payments, by the State of Ohio.

SAMPLE UNIT

The sampling units or elements of analysis that were used are paid services.

SAMPLE DESIGN

We used a stratified random sample.

Description	Results
Number of Services in Sample Population	812
Number of Services Sampled	261
Number of Service Sampled with Errors	45
Total Medicaid Amount Paid for Sample Population	\$41,218.02
Amount Paid for Services Sampled	\$13,329.90
Estimated Overpayment (Point Estimate)	\$6,721.00
Precision of Overpayment Estimate at 95% Confidence Level	\$1,503.00
Precision of Overpayment Estimate at 90% Confidence Level	\$1,262.00
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) (Equivalent to the estimate used for Medicare Audits) *	\$5,206.57

*Lower limit further reduced by correction for skewness using correction in lower limit confidence level using method described in "Sampling Methods for the Auditor, An Advanced Treatment", Herbert Arkin. Source: AOS analysis of ODM MMIS and MITS information and the Provider's records

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CORNERSTONE PSYCHOLOGICAL SERVICES

MEDINA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 9, 2014**