



OHIO AUDITOR OF STATE
KEITH FABER



**JIANCHAO ZHANG, ACUPUNCTURIST
FRANKLIN COUNTY**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Independent Auditor's Report	1
Compliance Section	3
Recommendation: Service Documentation.....	4
Recommendation: Medicaid Coverage.....	5

THIS PAGE INTENTIONALLY LEFT BLANK



Medicaid Contract Audit
88 East Broad Street
Columbus, Ohio 43215
(614) 466-3340
contactMCA@ohioauditor.gov

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

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Jianchao Zhang
Ohio Medicaid Number: 0253842 NPI: 1962805572

We examined Jianchao Zhang's compliance with specified Medicaid requirements for provider qualifications, service documentation and Medicaid coverage related to the provision of acupuncture with electrical stimulation services during the period of July 1, 2018 through June 30, 2020.

Mr. Zhang 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, Revised Code, 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. Mr. Zhang is responsible for his compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements examined. Our responsibility is to express an opinion on Mr. Zhang'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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Mr. Zhang complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Mr. Zhang 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 Mr. Zhang's compliance with the specified requirements.

Internal Control over Compliance

Mr. Zhang 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 Mr. Zhang's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that Mr. Zhang did not obtain confirmation of a diagnostic examination by a physician or chiropractor for any of the acupuncture services examined nor did he provide a written recommendation to the recipient to obtain such a diagnostic examination.

Jianchao Zhang
Franklin County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program
Page 2

Qualified Opinion on Compliance

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, Mr. Zhang has complied, in all material respects, with the select requirements of provider qualifications, service documentation and Medicaid coverage for the period of July 1, 2018 through June 30, 2020.

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 Mr. Zhang's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$60,522.45. This finding plus interest in the amount of \$2,942.39 (calculated as of October 7, 2021) totaling \$63,464.84 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 abuse 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.¹ Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of Mr. Zhang, 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

October 7, 2021

¹ "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)

Jianchao Zhang
Franklin County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

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)

Jianchao Zhang is a licensed acupuncturist located in Hilliard, Ohio. The Provider Agreement identifies the Provider as an individual practitioner with a legal entity name of Accurate Acupuncture by Zhang LLC which is registered with the Ohio Secretary of State. There is no associated provider number for Accurate Acupuncture by Zhang in the Medicaid Information Technology System.

Under the provider number examined, Mr. Zhang received payment of \$60,522.45 for 1,546 acupuncture with electrical stimulation services. We selected Mr. Zhang because 100 percent of acupuncture services he billed to Ohio Medicaid were with electrical stimulation, which pays at a higher rate than acupuncture services rendered without electrical stimulation.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Mr. Zhang'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 acupuncture with electrical stimulation services as specified below for which Mr. Zhang billed with dates of service from July 1, 2018 and June 30, 2020 and received payment.

We obtained Mr. Zhang's fee-for-service claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We also obtained paid claims data from three Medicaid managed care organizations² (MCOs). We removed any services with dates outside of the examination period, denied claims and claims paid at zero. The combined total paid services data showed that Mr. Zhang was reimbursed for two procedure codes: acupuncture, one or more needles; with electrical stimulation, initial 15 minutes of personal one-on one contact with the patient (97813) and acupuncture with electrical stimulation, each additional 15 minutes of contact with the patient, with re-insertion of needle(s) (97814).

We summarized the total paid services file by recipient date of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. We selected a simple random sample of 91 RDOS which resulted in 91 acupuncture with electrical stimulation 15 minutes services and 90 acupuncture with electrical stimulation, each additional 15 minutes for a total of 181 services (Acupuncture Services Sample).

A notification letter was sent to Mr. Zhang setting forth the purpose and scope of the examination. During the entrance conference, Mr. Zhang described his documentation practices and billing process. During fieldwork, we reviewed service documentation. We sent preliminary results to Mr. Zhang and he subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

² Buckeye Health Plan, Caresource and Molina Healthcare

Jianchao Zhang
Franklin County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

Results

We found a 100 percent error rate in the 181 services tested. As a result, the improper payment amount of \$60,522.45 is equal to the total amount paid for all acupuncture with electrical stimulation initial 15 minutes services and all acupuncture with electrical stimulation, each additional 15 minutes billed with a service date of July 1, 2018 through June 30, 2020. 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.

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 compared Mr. Zhang's name to the Office of Inspector General exclusion database and the Department's exclusion/suspension list. We found no matches.

B. Service Documentation

All Medicaid providers are required by Ohio Admin. Code § 5160-1-27(A) to keep records to establish medical necessity and meet requirements that include, but are not limited to, disclosing the type, extent and duration of services provided to Medicaid recipients. We applied these requirements to the acupuncture services sample.

Acupuncture Services Sample

We obtained service documentation and found that the 181 services examined contained four instances in which there was no documentation to support the payment. These four errors are included in the improper payment of \$60,522.45.

In addition, while the majority of documents noted a duration of one hour most also noted the time spent on each needle insertion. We noted 18 instances in which the duration per needle insertion was not documented. In these instances we ensured the billed units did not exceed the documented total duration.

Recommendation

Mr. Zhang 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, Mr. Zhang should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement.

Mr. Zhang should also seek technical assistance to ensure he is properly documenting acupuncture services and that the Department monitor Mr. Zhang for compliance. Mr. Zhang should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. Medicaid Coverage

Medicaid payment may be made only for an acupuncture service that is medically necessary in accordance with Ohio Admin. Code § 5160-1-01 which specifies that services meet generally accepted standards of medical practice.

Jianchao Zhang
Franklin County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

C. Medicaid Coverage (Continued)

In addition, the services must be performed in accordance with section 4762.10 of the Ohio Rev. Code which requires that an acupuncturist, prior to treatment, confirm whether the patient has undergone, within the last six months, a diagnostic examination that was related to the condition for which the patient is seeking acupuncture and was performed by a physician or chiropractor before receiving acupuncture services. If the patient does not confirm the diagnostic examination, the acupuncturist must provide to the patient a written recommendation to undergo a diagnostic examination by a physician or chiropractor.

Acupuncture Services Sample

There was no confirmation of a diagnostic examination by a physician or chiropractor, nor did the Provider provide a written recommendation to obtain a diagnostic examination for any of the 181 services examined. Mr. Zhang indicated he believed the consent to treat form that recipients signed met the requirement. We reviewed the consent to treat form but it did not contain any information regarding the required diagnostic examination or written recommendation.

These 181 errors are included in the improper payment of \$60,522.45.

Recommendation

Mr. Zhang should develop and implement controls to ensure that confirmation of a diagnostic examination by a physician or chiropractor is obtained or a written recommendation is provided to the recipient to undergo such an examination prior to services being rendered. Mr. Zhang should address this issue to ensure compliance with Medicaid rules and avoid future findings.

Official Response

Mr. Zhang declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



JIANCHAO ZHANG

FRANKLIN 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 12/14/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov