



OHIO AUDITOR OF STATE  
**KEITH FABER**





# 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 MENTAL HEALTH SERVICES

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

RE: ENA, Inc. DBA Necco Center  
Ohio Medicaid Number: 2847030 NPI: 1033230289

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization for ENA, Inc., DBA Necco Center related to the provision of community psychiatric support treatment (CPST) services and therapeutic behavioral services (TBS) during the period of July 1, 2018 through June 30, 2020.

In addition, we tested all services on one day for each of two practitioners, instances in which the same service on the same date was paid to a different provider and additional individual TBS services billed with the same date of service as a selected individual TBS service.

The Necco Center 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 the Necco Center 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 the Necco Center'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 the Necco Center complied, in all material respects, with the specified requirements referenced above. We are required to be independent of the Necco Center 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 the Necco Center 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 opinion. Our examination does not provide a legal determination on the Necco Center's compliance with the specified requirements.

***Internal Control over Compliance***

The Necco Center 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 Necco Center's internal control over compliance.

***Opinion on Compliance***

In our opinion, the Necco Center has complied, in all material respects, with the select requirements of select mental health services 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 the Necco Center's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$403.57. This finding plus interest in the amount of \$19.47 (calculated as of April 26, 2022) totaling \$423.04 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.

This report is intended solely for the information and use of the Necco Center, 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

April 26, 2022

## 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).

The Necco Center is an Ohio Department of Mental Health program located in Pedro, Ohio. Under the provider number examined, the Necco Center received payment of \$8 million in fee-for-service and managed care claims<sup>1</sup>. We obtained claims paid by one Ohio Medicaid managed care organization (MCO) that totaled \$3,177,580 for 43,431 services for this compliance examination.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Necco Center'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 behavioral health services as specified below for which the Necco Center billed with dates of service from July 1, 2018 through June 30, 2020 and received payment.

We obtained paid claims data from one MCO to use for this examination and verified that all services were paid to the Necco Center's tax identification number. We removed all services paid at zero.

From the total paid services population, we judgmentally selected two rendering practitioners and one date of service for each (procedure codes H0036, H2019 and H2020) to test in their entirety (Two Dates of Service Exception Test).

From the remaining population we selected 30 services for one recipient in which another Medicaid provider received reimbursement for the same service and service date (procedure codes H0036 and H2019) to test in their entirety (Potential Duplicates Exception Test).

After the exception tests were removed, we extracted all CPST Individual services (procedure code H0036) and selected a random sample of 60 services (CPST Individual Services Sample). We then extracted all TBS per diem services (procedure H2020) and selected a random sample of 60 services (TBS Services Sample).

Finally, we extracted TBS individual services (procedure code H2019) and selected a random sample of 60 services. We then matched the selected individual TBS services back to the remaining individual TBS services to identify services rendered to the same recipient on the same date as one of the sampled services (Additional TBS Individual Services).

The exception tests and calculated sample sizes are shown in **Table 1**.

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<sup>1</sup> Payment data is from the Medicaid Information Technology System

**Purpose, Scope, and Methodology (Continued)**

<b>Table 1: Exception Tests and Samples</b>		
<b>Universe</b>	<b>Population Size</b>	<b>Selected Services</b>
<b>Exception Tests</b>		
Two Dates of Service (H0036, H2019, H2020)		45
Potential Duplicates (H0036, H2019)		30
<b>Samples</b>		
CPST Individual Services (H0036)	423	60
TBS per diem Services (H2020)	15,437	60
TBS Individual Services (H2019)	5,606	60
Additional TBS Individual Services (H2019)		11
		<u>71</u>
<b>Total</b>		<b>266</b>

A notification letter was sent to the Necco Center setting forth the purpose and scope of the examination. During the entrance conference, the Necco Center described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used by the Necco Center, reviewed service documentation and verified professional licensure or certification. We sent preliminary results to the Necco Center 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>				
Two Dates of Service	45	9	9	\$254.60
Potential Duplicates	30	0	0	\$0.00
<b>Samples</b>				
CPST Individual Services	60	0	0	\$0.00
TBS per diem Services	60	1	1	\$117.05
TBS Individual Services	60	0	0	\$0.00
Additional H2019 Services	<u>11</u>	<u>1</u>	<u>1</u>	<u>\$31.92</u>
	71	1	1	\$31.92
<b>Total</b>	<b>266</b>	<b>11</b>	<b>11</b>	<b>\$403.57</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.

**A. Provider Qualifications (Continued)**

We identified 42 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.

For the 12 licensed practitioners, we verified via the Ohio e-License Center website that their licenses were current and valid on the first date of service found in our selected services and were active during the remainder of the examination period.

For five practitioners, we verified their master's degree was obtained prior to the first date of service found in our selected services. We did not test qualifications for practitioners with a bachelor's degree.

**B. Service Documentation**

Documentation requirements include the date, time of day, and duration of service contact. See Ohio Admin. Code § 5160-8-05(F).

We obtained service documentation from the Necco Center and compared it to the required elements. We also compared units billed to documented duration and compared services by recipient and the rendering practitioner to identify overlapping services. For errors where units billed exceeded the documented duration, the improper payment was based on the unsupported units.

*Two Dates of Service Exception Test*

The 45 services examined contained nine instances in which the documentation was cloned and did not contain any indication of individual interaction. These nine errors resulted in an improper payment amount of \$254.60.

*Potential Duplicates Exception Test*

We found no errors in the 30 services examined.

*CPST Individual Services Sample*

We found no errors in the 60 services examined.

*TBS per diem Services Sample*

We found no errors in the 60 services examined.

*TBS Individual Services Sample*

We found no errors in the 60 services examined.

*Additional TBS Individual Services*

The 11 services examined contained one instance in which there was no service documentation to support the payment. This one error resulted in an improper payment of \$31.92.

## **B. Service Documentation (Continued)**

### **Recommendation**

The Necco Center 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, the Necco Center should implement a quality review process to ensure that documentation is present, complete and accurate prior to submitting claims for reimbursement.

### **The Necco Center's Response**

*"Necco service documentation will be reviewed by staff in compliance to Ohio Medicaid rule as well as working with a billing specialist to assure that documentation fully meets billing standards and are accurate prior to submitting claims for reimbursement. Weekly tactical meetings between the staff the reviews and co-signs the service documentation and the billing specialist that assures accuracy of claims submitting will be established."*<sup>2</sup>

## **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. See Ohio Admin. Code § 5160-8-05(F). We obtained treatment plans from Necco and confirmed the treatment plan authorized the service examined and was signed by the recording practitioner.

### *CPST Individual Services Sample*

We found no errors in the 60 services examined.

### *TBS per diem Services Sample*

The 60 services examined contained one instance in which there was no treatment plan to authorize service. This one error resulted in an improper payment amount of \$117.05.

### *TBS Individual Services Sample*

We found no errors in the 60 services examined.

We did not test service authorization for the exception tests or additional TBS individual services.

### **Recommendation**

The Necco Center should develop and implement controls to ensure all individual treatment plans are completed within the required timeframe. The Necco Center should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

### **The Necco Center's Response**

*"Senior leadership will routinely run reports which show whether treatment plans have been approved, are not yet submitted or are incomplete, as well as plans that are submitted to supervisors but not yet approved in order to provide a secondary review above and beyond that which is done by direct supervisors. Necco staff have been retrained concerning compliance of treatment plan timelines to meet Medicaid rule."*<sup>2</sup>

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<sup>2</sup> We did not examine the Necco Center's response and, accordingly, we express no opinion on it.



# OHIO AUDITOR OF STATE KEITH FABER



**ENA, INC. DBA NECCO CENTER**

**LAWRENCE 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 6/14/2022**

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