



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 PROFESSIONAL MEDICAL SERVICES

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

RE: Smith Family Healthcare, LLP  
Ohio Medicaid Number: 0215362 NPI: 1750812293

We examined compliance with specified Medicaid requirements for provider qualifications and service documentation for select payments for duplicate reimbursed services and for services on two selected dates of service for Smith Family Healthcare, LLP (Smith Family) during the period of July 1, 2018 through June 30, 2020.

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

### ***Internal Control over Compliance***

Smith Family 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 Smith Family's internal control over compliance.

***Basis for Adverse Opinion***

Our examination disclosed that Smith Family duplicate billed services, primarily presumptive drug tests (procedure code 80305); failed to document duration of service on 84 percent of the selected payments for psychotherapy, 60 minutes with the patient (procedure code 90837); and failed to document the credentials of the rendering practitioner on 38 percent of the supporting documentation for the two selected dates of service.

***Adverse Opinion on Compliance***

In our opinion, Smith Family has not complied, in all material respects, with the selected requirements of professional medical services for the payments tested 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 Smith Family's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$6,732.08. This finding plus interest in the amount of \$408.26 (calculated as of June 22, 2022) totaling \$7,140.34 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. 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.<sup>1</sup> Ohio Admin. Code § 5160-1-29(B).

This report is intended solely for the information and use of Smith Family, 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 22, 2022

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<sup>1</sup> "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).

## 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).

Smith Family is a professional medical group practice with one location in Gallipolis, Ohio. Under the provider number examined, Smith Family received payment of \$3,808 for fee-for-service claims and \$1,322,177 from six Ohio managed care organizations (MCOs) for a total of \$1,325,985<sup>2</sup>.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Smith Family'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 professional medical services as specified below for which Smith Family billed with dates of service from July 1, 2018 through June 30, 2020 and received payment. We obtained paid claims data totaling \$905,236 from one MCO to use for this examination and verified that all services were paid to Smith Family's tax identification number. We removed all services paid at zero.

From the total paid services population, we extracted and selected two dates of service to examine in their entirety (November 27, 2019 and January 2, 2020 Service Dates Exception Test). Services on the two selected dates include: presumptive drug test by any method that can be read by direct optical observation (drug test - procedure code 80305), psychiatric diagnostic evaluations (90791), psychotherapy, 60 minutes with the patient (90837), Office Visit for the Evaluation and Management of New or Established Patient (99205, 99212, 99213, 99214) and smoking and tobacco cessation counseling (99406).

We then extracted all services billed on behalf of the same recipient with the same date of service and procedure code in which payment was made on different dates and summarized these services by recipient date of service (RDOS). A RDOS is defined as all services for a given recipient on a specific of service.

We selected a random sample of 53 RDOS from the population of duplicate drug tests (80305) and all of the remaining seven RDOS which included duplicate payments for single-step immunoassay to evaluate the patient's specimen for antibodies to the coronavirus (86328), along with the 99214 and 90837 procedure codes.

The exception test and calculated sample size are shown in **Table 1**.

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<sup>2</sup> Payment data from the Medicaid Information Technology System (MITS).

Smith Family Healthcare, LLP  
 Gallia County  
 Independent Auditor's Report on  
 Compliance with Requirements of the Medicaid Program

<b>Table 1: Exception Test and Sample</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Test</b>			
November 27, 2019 and January 2, 2020 Service Dates			160
<b>Sample</b>			
Duplicate Services	170 RDOS	60 RDOS	120
<b>Total</b>			<b>280</b>

A notification letter was sent to Smith Family setting forth the purpose and scope of the examination. During the entrance conference, Smith Family 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 and certification. We sent preliminary results to Smith Family 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**. 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.

<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 Test</b>				
November 27, 2019 and January 2, 2020 Service Dates	160	56	117	\$4,373.76
<b>Sample</b>				
Duplicate Services	120	64	64	\$1,247.32
Additional Duplicate Drug Tests				\$1,111.00 <sup>1</sup>
				\$2,358.32
<b>Total</b>	<b>280</b>	<b>120</b>	<b>181</b>	<b>\$6,732.08</b>

<sup>1</sup> Based on the results of the sample and confirmation by Smith Family of the duplicate billings, we identified an additional improper payment of \$1,111.00 for additional duplicate billings of drug tests (80305) during the examination period.

**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 nine practitioners in the service documentation for the selected exception test 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.

Smith Family Healthcare, LLP  
Gallia County  
Independent Auditor's Report on  
Compliance with Requirements of the Medicaid Program

For the five certified practitioners and four licensed practitioners in the exception test, we verified via the Ohio e-License Center website that their certifications or licenses were current and valid on the first date of service found in our selected payment and were active during the remainder of the examination period.

We did not test provider qualifications for the duplicate services sample.

**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 all services examined.

We obtained service documentation from Smith Family and compared it to the required elements. We also determined whether the service documentation included the credentials of the rendering practitioner and we compared units billed to documented duration.

*November 27, 2019 and January 2, 2020 Service Dates Exception Test*

The 160 payments examined contained one instance in which the supporting documentation had no description of any activity or patient assessment and 55 instances in which no time span or duration was indicated. These 56 errors resulted in the improper payment amount of \$4,373.76.

In addition, we found 61 instances in which the rendering practitioner did not include their credentials on the service documentation. We did not associate an improper payment with these errors.

Smith Family indicated the omitted service duration and rendering practitioner's credential were due to an oversight by management.

*Duplicate Services Sample*

The 120 payments examined contained 60 duplicate payments and four instances in which no time span or duration was indicated on the supporting documentation. These 64 errors resulted in the improper payment amount of \$1,247.32.

Based on the results of the sample and confirmation by Smith Family of the duplicate billings, we identified an additional improper payment amount of \$1,111.00 for additional duplicate billings of drug tests (80305) during the examination period. We identified a total improper payment of \$2,358.32 for these errors.

Smith Family indicated they were unaware that the duplicate payments had been made.

**Recommendation**

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

**Official Response**

In addition to the Smith Family's responses obtained during the engagement which are included in the results above, the agency reported that it has established new policies to prevent further issues.

# OHIO AUDITOR OF STATE KEITH FABER



**SMITH FAMILY HEALTHCARE, LLP**

**GALLIA 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 8/18/2022**

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