



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit
65 East State 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 BEHAVIORAL HEALTH SERVICES

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

RE: Cadence Care Network (formerly Homes for Kids of Ohio, Inc.)
Ohio Medicaid Number: 2847254 National Provider Identifier: 1558339762

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of therapeutic behavioral services (TBS) and individual psychotherapy services during the period of January 1, 2020 through December 31, 2022 for Cadence Care Network (Cadence) formerly known as Homes for Kids of Ohio, Inc. We tested the following services:

- All instances in which more than one psychiatric diagnostic evaluation was billed for the same recipient in a calendar year;
- All instances in which a prolonged visit was billed for a recipient with no other services on the same day;
- Select instances in which Cadence and another Ohio Medicaid provider was paid for the same service for the same recipient on the same day;
- A sample of remaining TBS services; and
- A sample of remaining individual psychotherapy services.

Cadence 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 to fully disclose the extent of services provided and significant business transactions.

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

Internal Control over Compliance

Cadence 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 Cadence's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, the treatment plans for the sampled TBS services did not authorize the service billed.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Cadence has complied, in all material respects, with the select requirements for the selected services for the period of January 1, 2020 through December 31, 2022. 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 Cadence's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$588.99 his finding plus interest in the amount of \$58.57 (calculated as of August 29, 2024) totaling \$647.56 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 in accordance with Ohio Admin. Code 5160-1-27.

This report is intended solely for the information and use of Cadence, 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 11, 2024

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.

Cadence is an Ohio Department of Mental Health and Addiction Services certified agency (provider type 84) with locations in Ashtabula, Massillon, Mineral Ridge, Niles, Toledo and Youngstown. Cadence received payment of approximately \$10 million including managed care and fee-for-service (FFS) for over 89,000 mental health services.¹

Table 1 contains the behavioral health procedure codes selected for this examination.

Table 1: Behavioral Health Services	
Procedure Code	Description
90791	Psychiatric Diagnostic Evaluation
90837	Individual Psychotherapy – 60 minutes
99354	Prolonged Visit – First 60 minutes
99355	Prolonged Visit – Each additional 30 minutes
H0036	Community Psychiatric Supportive Treatment – 15 minutes
H2019	Therapeutic Behavioral Services – 15 minutes

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

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Cadence'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 Cadence billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained Cadence'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 of Ohio's managed care entities (MCE) and confirmed the services were paid to Cadence's tax identification number. From the combined FFS and MCE claims data, we removed services paid at zero, third-party payments, co-payments, and Medicare crossover claims. The scope of our examination including testing procedures related to select services as identified in the Independent Auditor's Report.

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

¹ Payment data from the Medicaid Information Technology System (MITS).

Cadence Care Network (formerly Homes for Kids of Ohio, Inc.)
 Trumbull County
 Independent Auditor's Report on
 Compliance with Requirements of the Medicaid Program

Table 2: Exception Tests and Samples			
Universe	Population Size	Sample Size	Selected Services
Exception Tests			
More than One Diagnostic Evaluation (90791)			4
Prolonged Visits (99354, 99355)			17
Services on Same Day as Another Agency (H0036, H2019)			21
Samples			
TBS (H2019)	30,065 RDOS	60 RDOS	60
Individual Psychotherapy Services (90837)	11,608 RDOS	60 RDOS	60
Total			162

A notification letter was sent to Cadence setting forth the purpose and scope of the examination. During the entrance conference, Cadence 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. We sent preliminary results to Cadence, 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 3**. 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 Tests				
More than One Diagnostic Evaluation	4	2	2	\$222.22
Prolonged Visits	17	0	0	\$0.00
Services on Same Day as Another Agency	21	2	2	\$50.92
Samples				
TBS	60	4	4	\$111.23
Individual Psychotherapy Services	60	2	2	\$204.62
Total	162	10	10	\$588.99

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 60 rendering practitioners in the service documentation for the selected payments 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.

Licensure and Medicaid Enrollment

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 MITS 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.

For the 42 licensed practitioners identified in the service documentation for this examination, we verified via the e-License Ohio Professional Licensure System that their licenses were current and valid on the first date found in our selected payments and were 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 Administrative 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 Cadence 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. For errors where units billed exceeded the documented duration, the improper payment was based on the unsupported units.

More than One Diagnostic Evaluation Exception Test

The four services examined contained one instance in which there was no documentation to support the service. This error is included in the improper payment of \$222.22.

Prolonged Visits Exception Test

The 17 prolonged visit services were supported by documentation that contained the required elements. In all 17 instances, the service documentation indicated that the prolonged visit was in conjunction with an individual psychotherapy session that was not billed.

Services on Same Day as Another Agency Exception Test

The 21 payments examined consisted of 20 recipient dates of service (RDOS)² in which both Cadence and another Ohio Medicaid provider were reimbursed for the same recipient on the same day. We obtained supporting documentation for these services from both agencies.

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

B. Service Documentation (Continued)

There were seven instances in which the services at Cadence and the other Medicaid provider overlapped in time; however, the recipient was not present for the service at Cadence and the service was related to coordination of care.

There were two instances in which the units billed exceeded the documented duration. These two errors resulted in the improper payment of \$50.92.

TBS Sample

The 60 services examined contained one instance in which the units billed exceeded the documented duration. This error was included in the improper payment of \$111.23.

Individual Psychotherapy Services Sample

All 60 services examined were supported by documentation that contained the required elements.

Recommendation

Cadence should develop and implement procedures to ensure that all service documentation and billing practices fully comply with requirements contained in the Ohio Medicaid rules. In addition, Cadence should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for payment. Cadence should address the identified issues to ensure compliance with the Medicaid rules and avoid future findings.

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 Cadence to confirm if the treatment plan authorized the service examined and was signed by the recording practitioner. We limited our testing of treatment plans to the sampled services.

TBS Sample

The 60 services examined contained three instances in which the treatment plan did not authorize the service billed. These three errors are included in the improper payment of \$111.23.

Individual Psychotherapy Services Sample

The 60 services examined contained two instances in which the treatment plan did not authorize the service billed. These two errors resulted in the improper payment amount of \$204.62.

Recommendation

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

Cadence Care Network (formerly Homes for Kids of Ohio, Inc.)
Trumbull County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

Medicaid Coverage

More than One Diagnostic Evaluation Exception Test

Ohio Admin. Code 5160-27-02(B) limits psychiatric diagnostic evaluations to one per recipient, per calendar year, per billing provider. We confirmed with the MCO that it imposed the same limitation.

The four services examined consisted of two instances in which more than one diagnostic evaluation was billed for a recipient in a calendar year. In one instance, there was no documentation to support one of the evaluations as described in the Service Documentation section. In the remaining instance, Medicaid's coverage limitation was exceeded, and no prior authorization was obtained. This error is included in the improper payment of \$222.22.

Recommendation

Cadence should ensure that services billed to Medicaid are consistent with limitations contained in the Ohio Admin. Code. Cadence should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

Official Response

Cadence declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



CADENCE CARE NETWORK (FORMERLY HOMES FOR KIDS OF OHIO, INC.)

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 11/7/2024

65 East State 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