



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT PAYMENTS FOR PROFESSIONAL AND BEHAVIORAL HEALTH SERVICES

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

RE: Psycho Social Therapies, LTD  
Ohio Medicaid Numbers: 0346639 and 0200333  
National Provider Identifiers: 1902462906 and 1750335261

We were engaged to examine compliance with specified Medicaid requirements for select payments for professional and behavioral health services during the period of January 1, 2020 through December 31, 2022 for Psycho Social Therapies, LTD.

We tested the following select payments:

- Instances in which a service was billed after a recipient date of death;
- Instances in which a recipient received multiple diagnostic evaluations in a calendar year;
- Instances in which a service was billed during a potential inpatient hospital stay;
- A sample of office visits, established, high complexity; and
- A sample of psychotherapy, 60 minute services.

Psycho Social Therapies, LTD 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. Psycho Social Therapies, LTD is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements included in the engagement.

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

Psycho Social Therapies, LTD 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 Psycho Social Therapies, LTD's internal control over compliance.

### ***Basis for Disclaimer of Opinion***

Based on Psycho Social Therapies, LTD's claims data, we tested one payment for two recipients when the date of service billed was after the date of death. Psycho Social Therapies, LTD had documentation to support both services. In addition, we tested 25 payments for 19 recipients with dates of services that potentially occurred during an inpatient hospital stay. We requested confirmation from the 16 applicable hospitals of both the admission and discharge dates. Seven hospitals responded to our request and

confirmed the recipients were inpatient for 11 service dates; Psycho Social Therapies, LTD submitted service documentation for nine of 11 services.

In the instances of services billed after the recipient's date of death and confirmation of inpatient hospital stays, it is not possible that the services were rendered. As such, we were not able to satisfy ourselves as to the reliability of Psycho Social Therapies LTD's service documentation obtained for this engagement.

In addition, attestation standards established by the American Institute of Certified Public Accountants require that we request a written statement from Psycho Social Therapies, LTD confirming, to the best of their knowledge and belief, their representations made to us during the course of our examination. We requested that Psycho Social Therapies, LTD provide such a statement but Psycho Social Therapies, LTD declined to do so.

***Disclaimer of Opinion***

Our responsibility is to express an opinion on Psycho Social Therapies, LTD's compliance with select Medicaid requirements based on conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on Psycho Social Therapies, LTD's compliance with the specified Medicaid requirements for the period of January 1, 2020 through December 31, 2022.

We identified improper Medicaid payments in the amount of \$1,776.56. This finding plus interest in the amount of \$179.89 (calculated as of October 17, 2024) totaling \$1,956.45 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. If waste and abuse are suspected or apparent, the Department and/or 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).

We are required to be independent of Psycho Social Therapies, LTD and to meet our ethical responsibilities, in accordance with the ethical requirements established by the American Institute of Certified Public Accountants related to our compliance examination. This report is intended solely for the information and use of 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

November 15, 2024

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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. Per Ohio Admin. Code 5160-1-17.2(D) and (E), providers must furnish such records for audit and review purposes.

Psycho Social Therapies, LTD is a Professional Medical Group (type 21) and Ohio Department of Mental Health Provider (provider type 84) located in Cuyahoga County. Psycho Social Therapies, LTD received payment of approximately \$3.9 million including managed care entity (MCE) and fee-for-service (FFS) payments for over 49,000 services.<sup>2</sup>

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Psycho Social Therapies, LTD'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 payments, as specified below, for which Psycho Social Therapies, LTD billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained Psycho Social Therapies, LTD'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 one MCE and confirmed the services were paid to Psycho Social Therapies, LTD's tax identification number. From the combined FFS and MCE claims data, we removed services paid at zero, third-party payments, co-pays and Medicare crossover claims. From the remaining total paid services, we selected the following payments in the order listed:

- All instances in which a service was billed after a recipient date of death (procedure code 90832 – psychotherapy, 30 minutes and procedure code 90837 – psychotherapy, 60 minutes) (Services Billed After a Recipient Date of Death Exception Test);
- All instances in which a recipient received multiple diagnostic evaluations in a calendar year (procedure code 90791 - psychiatric diagnostic evaluation) (Multiple Diagnostic Evaluations Exception Test);
- All instances in which a service was billed with a date of service when the recipient was a potential hospital inpatient (procedure codes 90791, 90832, 90837, 90213 - office visit, established, low complexity) and 99214 - office visit, established, high complexity) (Services During Potential Inpatient Hospital Stay Exception Test);
- A sample of office visits, established, high complexity (procedure code 99214) (Office Visits, Established, High Complexity Sample); and
- A sample of psychotherapy, 60 minute services (procedure code 90837) (Psychotherapy, 60 Minute Services Sample).

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

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

Psycho Social Therapies, LTD  
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 Independent Auditor's Report on  
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<b>Table 1: Exception Tests and Samples</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Payments</b>
<b>Exception Tests</b>			
Services Billed After Recipient Date of Death			2
Multiple Diagnostic Evaluations			2
Services During Potential Inpatient Hospital Stay			25
<b>Samples</b>			
Office Visits, Established, High Complexity	827	76	80
Psychotherapy, 60 Minute Services	6,640	82	85
<b>Total</b>			<b>194</b>

A notification letter was sent to Psycho Social Therapies, LTD setting forth the purpose and scope of the examination. During the entrance conference, Psycho Social Therapies, LTD 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 Psycho Social Therapies, LTD, and it subsequently submitted additional information which we reviewed for compliance prior to the completion of our fieldwork.

**Results**

The summary results are shown in **Table 2**. While certain payments 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>Payments Examined</b>	<b>Non-compliant Services</b>	<b>Non-compliance Errors</b>	<b>Improper Payment</b>
<b>Exception Tests</b>				
Services Billed After a Recipient Date of Death	2	2	2	\$155.95
Multiple Diagnostic Evaluations	2	1	1	\$111.11
Services During Potential Inpatient Hospital Stay	25	13	15	\$1,202.57
<b>Samples</b>				
Office Visits, Established, High Complexity	80	0	0	\$0
Psychotherapy, 60 Minute Services	85	3	9	\$306.93
<b>Total</b>	<b>194</b>	<b>19</b>	<b>27</b>	<b>\$1,776.56</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 35 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

For the 35 licensed practitioners identified in the service documentation for the selected payments, 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 Psycho Social Therapies, LTD and compared it to the required elements. We also compared units billed to documented duration and we ensured the services met the duration requirements, where applicable.

*Services Billed After a Recipient Date of Death Exception Test*

The two payments examined contained two instances in which the service was billed after a recipient date of death and Psycho Social Therapies, LTD had service documentation to support the services.

These two errors resulted in an improper payment amount of \$155.95.

*Multiple Diagnostic Evaluations Exception Test*

The two payments examined contained the required elements tested.

*Services During Potential Inpatient Hospital Stay Exception Test*

The 25 payments examined contained 11 instances in which service was billed during a confirmed inpatient hospital stay and Psycho Social Therapies, LTD had documentation to support 9 of the services and four instances in which there was no documentation to support the payment.

These 15 errors resulted in the improper payment of \$1,202.57.

*Office Visits, Established, High Complexity*

The 80 payments examined contained the required elements tested.

*Psychotherapy, 60 Minute Services Sample*

The 85 payments examined contained one instance in which there was no documentation to support the payment.

This one error is included in the improper payment amount of \$306.93.

**B. Service Documentation (Continued)**

In addition, we noted six instances in which time of day was not documented; however, the duration was present. We did not associate an overpayment for these six errors.

**Recommendation**

Psycho Social Therapies, LTD 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, Psycho Social Therapies, LTD should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for payment. Psycho Social Therapies, LTD should address the identified issues to ensure compliance with the Medicaid rules and avoid future findings.

**C. Authorization to Provide Services**

Treatment Plans

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 Psycho Social Therapies, LTD and confirmed all payments were supported by a signed treatment plan.

*Psychotherapy, 60 Minute Services Sample*

The 85 payments examined contained two instances in which there was no treatment plan to authorize the service. These two errors are included in the improper payment of \$306.93.

We did not test for authorization in the remaining tests.

Prior Authorization

Ohio Admin. Code 5160-27-02(B)(4) states that psychiatric diagnostic evaluations are limited to one encounter per recipient, per provider, per calendar year.

*Multiple Diagnostic Evaluations Exception Test*

The two payments examined contained one instance in which there was no prior authorization to authorize the service.

This one error resulted in the improper payment amount of \$111.11.

**Recommendation**

Psycho Social Therapies, LTD should develop and implement controls to ensure that all services billed are authorized by a signed treatment plan and/or prior authorization when required. Psycho Social Therapies, LTD should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.



Psycho Social Therapies, LTD  
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**Official Response**

Psycho Social Therapies, LTD submitted an official response to the results of this examination which is presented in the **Appendix**. We did not examine Psycho Social Therapies, LTD's response, and, accordingly, we express no opinion on it.

J. Liam Gruzs  
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November 22, 2024

**VIA E-MAIL ONLY TO [CRCOUTS@OHIOAUDITOR.GOV](mailto:CRCOUTS@OHIOAUDITOR.GOV)**

Ohio Auditor of State  
Cherie Coutts, Senior Audit Manager  
Medicaid/Contract Audit Section  
88 East Broad Street, 9th Floor  
Columbus, Ohio 43215

Re: Psycho Social Therapies, LTD Medicaid Compliance Examination

Dear Ms. Coutts:

As you are aware, this firm represents Psycho Social Therapies, LTD (“PST”). This letter serves as PST’s response to the draft Medicaid Compliance Examination Report (“Draft Report”) dated October 17, 2024, and provided to PST on November 13, 2024.

By way of background, the Auditor provided PST with a Notification Letter for Compliance Examination dated June 24, 2024. The review period subject to the Compliance Examination was indicated to be January 1, 2020, to December 31, 2022. An entrance conference was held on July 3, 2024, immediately after which the Auditor provided a request for records. On July 31, 2024, PST provided the requested records to the Auditor, and on September 11, 2024, PST hosted a virtual walk-through demonstration of its electronic health record. Shortly thereafter, PST provided records for two additional dates of service which were examined during the demonstration. After having completed its field work, the Auditor finalized the Draft Report in which nineteen of the 194 examined services are alleged to be non-compliant.

PST takes these proposed findings seriously and appreciates the Auditor bringing them to its attention. After having been first notified of these proposed findings, PST undertook a through internal investigation. The investigation uncovered that these services appear to be isolated documentation and/or billing errors. It is not—nor has it ever been—the policy of PST to permit its clinicians to provide services to patients during a hospital admission. As a result, as we discussed previously, PST intends to promptly return the amount of claims payment associated with these services.

November 22, 2024

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In its Draft Report, the Auditor recommends that PST develop and implement controls and procedures to ensure that all service documentation and billing practices comply with applicable Ohio Medicaid requirements. The Auditor also urges PST to implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for payment.

In response to the Auditor's examination and recommendations, PST has implemented the following controls and procedures to ensure that the necessary documentation is complete and accurate moving forward:

- PST has expanded its quality assurance processes to include frequent random audits of (i) clinical documentation before the documentation is transmitted to the billing department, and (ii) billing documentation prior to claims being billed.
- PST has engaged the services of a third-party to conduct independent quality assurance activities.
- In addition to its quality assurance processes, PST now reviews a sample of claims for each clinician weekly to verify that each patient was seen at the appropriate location.
- PST conducts mandatory training on its policy of only treating patients at appropriate sites of service (i.e., not a hospital).
- PST conducts mandatory clinician training and education on clinical documentation requirements and best practices, with a particular focus on timely and accurate documentation.
- Implementation of a treatment plan tracking process to ensure each patient has a current and accurate treatment plan in place.

Last, PST would like to emphasize the significant changes it has made to its operations in the almost five years since the beginning of the examination period. For much of the examination period, PST was on the front lines during the Covid-19 pandemic providing critical behavioral health services to a vulnerable and underserved population in facilities, often with limited access to these facilities. As a result of these unprecedented times during which PST operated in a primarily paper environment, it has now fully transitioned to an electronic documentation and billing platform. PST is now able to ensure more consistent and accurate compliance with applicable Medicaid requirements while continuing to provide critically important services to those who need them most.

# VORYS

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PST very much appreciates the Auditor's consideration of its response. If you have any questions, please do not hesitate to give me a call.

Very truly yours,

A handwritten signature in blue ink, appearing to read "J. Liam Gruz". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

J. Liam Gruz

# OHIO AUDITOR OF STATE KEITH FABER



**PSYCHO SOCIAL THERAPIES, LTD**

**CUYAHOGA 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 12/10/2024**

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

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[www.ohioauditor.gov](http://www.ohioauditor.gov)