



OHIO AUDITOR OF STATE
KEITH FABER





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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT PAYMENTS FOR BEHAVIORAL HEALTH SERVICES

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

RE: Full Circle Recovery of Circleville, LLC DBA Hope Valley Recovery
Ohio Medicaid Numbers: 0442085 and 0485089
National Provider Identifiers: 1922607266 and 1861137408

We examined compliance with specified Medicaid requirements for select behavioral health service payments during the period of June 1, 2021 through December 31, 2022 for Full Circle Recovery of Circleville, LLC DBA Hope Valley Recovery (Hope Valley Recovery). We tested the following select payments:

- The one instance in which a service was billed during a potential hospital inpatient stay;
- All instances in which a recipient had a greater than a 30-day span of residential treatment;
- One recipient date of service (RDOS¹) for recipients with 10 or more instances of greater than four hours of peer recovery support services;
- All potential duplicate services;
- A sample of partial hospitalization services; and
- A sample of acute detoxification services.

Hope Valley Recovery 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 Hope Valley Recovery 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 Hope Valley Recovery'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 Hope Valley Recovery complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Hope Valley Recovery 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 Hope Valley Recovery 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.

¹ A RDOS is defined as all services for a given recipient on a specific date of service.

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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 Hope Valley Recovery's compliance with the specified requirements.

Internal Control over Compliance

Hope Valley Recovery 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 Hope Valley Recovery's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, Hope Valley Recovery lacked service documentation for duplicate services and exceeded limitations for urine drug screens.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified paragraph, Hope Valley Recovery has complied in all material respects, with the select requirements for the selected payments for the period of June 1, 2021 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 Hope Valley Recovery's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$6,305.22. This finding plus interest in the amount of \$623.18 (calculated as of April 14, 2025) totaling \$6,928.40 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 Hope Valley Recovery, 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

May 1, 2025

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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.

Hope Valley Recovery is an Ohio Department of Mental Health and Addiction Services certified agency (provider types 84 and 95) located in Pickaway County. Hope Valley Recovery received payments of approximately \$11.4 million, including managed care entity (MCE) and fee-for-service (FFS) payments for over 97,000 substance use disorder and mental health services.²

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Hope Valley Recovery'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 Hope Valley billed with dates of service from June 1, 2021 through December 31, 2022 and received payment.

We obtained Hope Valley Recovery'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 three MCEs and confirmed the services were paid to Hope Valley Recovery'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. The scope of the examination was limited to FFS claims and encounters from three MCEs and included testing procedures related to the select services as identified in the Independent Auditor's Report.

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

Table 1: Behavioral Health Services	
Procedure Code	Description
H0011	Acute detoxification, inpatient
H0015	Intensive outpatient program, per diem
H0038	Peer recovery support, 15 minutes
H0048	Urine drug screening, collection and handling
H0015 with TG modifier	Partial hospitalization services
H2036	Alcohol and/other drug treatment program, per diem

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

² Payment data from the Medicaid payment database.

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

Table 2: Exception Tests and Samples			
Universe	Population Size	Sample Size	Selected Payments
Exception Tests			
Service Billed During a Potential Hospital Inpatient Stay (H0011)			1
Residential Treatment Services with Spans of Greater than 30 Days (H2036)			46
RDOS with Greater Than Four Hours of Peer Recovery Support Services (H0038)			36
Potential Duplicates (H0011, H0015, H0048, H2036)			52
Samples			
Partial Hospitalization Services (H0015)	13,122	85	85
Acute Detoxification Services (H0011)	8,697	85	85
Total			305

A notification letter was sent to Hope Valley Recovery setting forth the purpose and scope of the examination. During the entrance conference, Hope Valley Recovery 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 Hope Valley Recovery, 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	Payments Examined	Non-compliance Errors	Improper Payment
Exception Tests			
Service Billed During a Potential Hospital Inpatient Stay	1	0	\$0.00
Residential Treatment Services with Spans of Greater than 30 Days	46	0	\$0.00
RDOS with Greater Than Four Hours of Peer Recovery Support Services	36	3	\$23.28
Potential Duplicates	52	26	\$5,664.26
Samples			
Partial Hospitalization Services	85	1	\$224.82
Acute Detoxification Services	85	1	\$392.86
Total	305	31	\$6,305.22

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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 11 rendering practitioners in the service documentation for the selected services and compared their names, and administrators, to the Office of Inspector General exclusion database and the Department's exclusion/suspension list and found not matches.

Licensure/Certification

For the 11 licensed/certified practitioners identified in the service documentation, we verified via the e-License Ohio Professional Licensure System that their licenses/certifications were current and valid on the first date found in our selected payments and were active during the remainder of the examination period. We identified no errors.

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. In addition, per Ohio Admin. Code 5160-8-05(F), documentation requirements include the date, type, and duration of service contact.

We obtained service documentation from Hope Valley and compared it to the required elements. We also compared units billed to documented duration and ensured services met the duration requirements, where applicable.

Service Billed During a Potential Hospital Inpatient Stay Exception Test

We requested documentation from one hospital for the service in our exception test; however, the hospital did not respond to our request. The one payment examined contained no errors relating to service documentation.

Potential Duplicates Exception Test

The 52 payments examined contained 19 instances in which there was no service documentation to support the reimbursement.

These 19 errors are included in the improper payment of \$5,664.26.

Partial Hospitalization Services Sample

The 85 payments examined contained one instance in which the documented duration did not meet the minimum time requirement for the service.

This one error resulted in the improper payment of \$224.82.

Acute Detoxification Services Sample

The 85 payments examined contained no errors related to service documentation.

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B. Service Documentation (Continued)

Recommendation

Hope Valley Recovery should develop and implement procedures to ensure that all service documentation and billing practices fully comply with requirements contained in Ohio Medicaid rules. Hope Valley Recovery should address the identified issues to ensure compliance with the Medicaid rules and avoid future findings.

C. Authorization to Provide Services

Residential Treatment

In accordance with 5160-27-09(F)(3), prior authorization is required for residential treatment after 30 consecutive days for the first and second admission in a calendar year, and for the third subsequent admission. We requested prior authorization for the recipient and date span examined.

Residential Treatment Services with Spans of Greater than 30 Days Exception Test

The 46 services examined contained prior authorization as required.

Peer Recovery

Per 5160-27-02(C)(3), peer recovery is limited to four hours per day, per recipient. We haphazardly selected one RDOS for each of the 15 recipients who had at least 10 RDOS with greater than four hours of peer recovery services and requested prior authorization for those services.

RDOS with Greater Than Four Hours of Peer Recovery Support Services Exception Test

The 36 services examined contained three instances in which there was no prior authorization to authorize the service.

These three errors resulted in the improper payment amount of \$23.28.

Treatment Plans

A treatment plan must be completed within five sessions or one month of admission, whichever is longer, must specify mutually agreed treatment, 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 Hope Valley for the sampled payments and determined if they were supported by a signed treatment plan.

Partial Hospitalization Services Sample

The 85 payments examined were compliant with the required elements for service authorization.

Acute Detoxification Services Sample

The 85 payments examined contained one instance in which there was no treatment plan to authorize the service.

This one error resulted in the improper payment of \$392.86.

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C. Authorization to Provide Services (Continued)

Recommendation

Hope Valley Recovery should develop and implement controls to ensure that all services billed are substantiated by a signed treatment plan and/or prior authorization as required. Hope Valley Recovery should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

D. Medicaid Limitations

Urine Drug Screen Limitations

Per Ohio Admin. Code 5160-27-02(C)(2), substance abuse urine drug screening is limited to one per day, per recipient.

Potential Duplicates Exception Test

The 52 payments examined contained seven instances in which two substance abuse urine drug screens were billed on the same RDOS.

These seven errors are included in the improper payment of \$5,664.26.

Recommendation

Hope Valley Recovery should develop and implement controls to ensure that services billed are within established limitations. Hope Valley Recovery should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Official Response

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

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APPENDIX



April 30th 2025

Report Response

Hope Valley Recovery appreciates the detailed analysis of its compliance with the Ohio Department of Medicaid's administrative codes and regulations. The report provided valuable insight into our organization's operations and how we can continue to better serve the Ohio Medicaid subscriber population.

As an agency, we continue to incorporate risk mitigating practices that help the organization align to all Ohio administrative codes and Ohio Medicaid compliance regulations.

We will continue to evaluate our internal and external systems on an on-going basis in order to alleviate non-compliance through a management lens of transparency, character, and integrity.

Very truly yours,

Andrew Inglis

Andrew Inglis
Executive Director
Hope Valley Recovery

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FULL CIRCLE RECOVERY OF CIRCLEVILLE, LLC DBA HOPE VALLEY RECOVERY

PICKAWAY 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 5/20/2025

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