



OHIO AUDITOR OF STATE
KEITH FABER



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Medicaid Contract Audit
65 East State Street
Columbus, Ohio 43215
(800) 443-9275 or (614) 466-3402
ContactMCA@ohioauditor.gov

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: Jay Hash, LLC, dba HopeSource
Ohio Medicaid Numbers: 0144728 and 0220661
National Provider Identifiers: 1578941381 and 1518493394

We examined compliance with specified Medicaid requirements for select payments during the period of January 1, 2021 through December 31, 2023 for Jay Hash, LLC, dba HopeSource. We tested the following select payments:

- All instances in which more than four units of substance use disorder (SUD) group counseling services were billed on the same recipient date of service (RDOS)¹ as intensive outpatient program (IOP) service;
- Urine drug screen services exceeding limitations on an RDOS;
- All instances of alcohol and/or other drug treatment halfway house, per diem and alcohol and/or other drug treatment program, per diem services with 31 or more continuous dates of service per recipient;
- A sample of partial hospitalization services and all other services on the same RDOS; and
- A sample of alcohol and/or other drug treatment program, per diem services.

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

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

Internal Control over Compliance

HopeSource 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 HopeSource's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, HopeSource billed urine drug screens exceeding limitations and billed partial hospitalization services that included unbillable activities.


Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified paragraph, HopeSource has complied in all material respects, with the select requirements for the selected payments for the period of January 1, 2021 through December 31, 2023. 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 HopeSource's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$1,355,849.03. This finding plus interest in the amount of \$130,941.58 (calculated as of June 20, 2025) totaling \$1,486,790.61 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 abuse² 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. Ohio Admin. Code 5160-1-29(B).

This report is intended solely for the information and use of HopeSource, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 20, 2025

² "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.

HopeSource is an Ohio Department of Mental Health and Addiction Services certified agency (provider types 84 and 95) located in Scioto County. HopeSource received payment of approximately \$9.9 million for over 102,000 substance use disorder services.³

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether HopeSource'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 HopeSource billed with dates of service from January 1, 2021 through December 31, 2023 and received payment.

We obtained HopeSource's fee-for-service (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 managed care entities (MCE) and confirmed the services were paid to HopeSource'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
90832	Individual Psychotherapy – 30 Minutes
90834	Individual Psychotherapy – 45 Minutes
90837	Individual Psychotherapy – 60 Minutes
90853	Group Psychotherapy
H0005	SUD Group Counseling
H0006	Alcohol and/or Drug Services, Case Management
H0015	IOP
H0015 with TG modifier	Partial Hospitalization Services
H0038	SUD Peer Recovery Support
H0048	Urine Drug screening, Collection and Handling
H2034	Alcohol and/or other Drug Treatment Halfway House, per diem
H2036	Alcohol and/or other Drug Treatment Program, per diem

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

³ Payment data from the Medicaid payment database.

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			
Greater than Four Units of SUD Group Counseling (H0005) on Same RDOS as IOP Service (H0015)			180
Urine Drug Screens Services Exceeding Limitations on a RDOS (H0048)			24
Per Diem Services Requiring Prior Authorization (H2034 and H2036)			3,837
Samples			
Partial Hospitalization Services (H0015 with TG modifier) Additional Services on Same RDOS ¹	15,884	81	81
Total			<u>99</u> 180
Alcohol and/or other Drug Treatment Program Services (H2036)	7,938	81	81
Total			4,302

¹ includes procedure codes H0005, H0006, H0038, H0048, 90832, 90834, 90837 and 90853

A notification letter was sent to HopeSource setting forth the purpose and scope of the examination. During the entrance conference, HopeSource 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 HopeSource, 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**. 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.

Table 3: Results				
Universe	Payments Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Tests				
Greater than Four Units of SUD Group Counseling on Same RDOS as IOP Service	180	0	0	\$0.00
Urine Drug Screen Services Exceeding Limitations on a RDOS	24	12	12	\$173.76
Per Diem Services Requiring Prior Authorization	3,837	42	42	\$8,975.40

Table 3: Results (Continued)				
Universe	Payments Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Samples				
Partial Hospitalization Services	81	38	40	\$1,344,579.00 ¹
Additional Services on Same RDOS ¹	99	23	24	\$1,479.77
Total	180	61	64	\$1,346,058.77
Alcohol and/or other Drug Treatment Program Services	81	3	3	\$641.10
Totals	4,302	118	121	\$1,355,849.03

¹The overpayment identified for 38 of the 81 services from a simple random sample were projected across the Provider's population of partial hospitalization services resulting in a projected overpayment of \$1,675,303 with a precision of plus or minus \$395,501 at the 95 percent confidence level. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits), and a finding was made for \$1,344,579. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$1,344,579. A detailed summary of our statistical sample and projection results is presented in the **Appendix**.

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 39 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 no matches.

Licensure/Certification

For the 35 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. Per Ohio Admin. Code 5160-8-05(F), documentation requirements include the date, type, and duration of service contact. We obtained service documentation from HopeSource 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.

B. Service Documentation (Continued)

Partial Hospitalization Services Sample

The 81 payments examined contained two instances in which the minimum time requirement was not met for the service and one instance in which there was no documentation to support the payment.

These three errors are included in the projected improper payment amount of \$1,344,579.00.

Additional Services on Same RDOS as Sampled Partial Hospitalization Services Sample

The 99 payments examined contained the following errors:

- 14 instances in which the reported time of the service was the same as another service for the same recipient on the same date;
- One instance in which there was no documentation to support the payment; and
- One instance in which the reimbursed units were greater than the documented duration.

The 16 errors are included in the improper payment amount of \$1,479.77.

Alcohol and/or other Drug Treatment Program Services Sample

The 81 payments examined contained three instances in which there was no documentation to support that the recipient received services on the date tested.

These three errors are included in the improper payment amount of \$641.10.

Recommendation

HopeSource should develop and implement procedures to ensure that all service documentation and billing practices fully comply with the requirements contained in Ohio Medicaid rules. In addition, HopeSource should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for payment. HopeSource 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, 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).

In addition, Ohio Admin. Code 5160-27-09(A) states, "For the purpose of Medicaid reimbursement, substance use disorder treatment services shall be defined by and shall be provided according to the American society of addiction medicine also known as the ASAM treatment criteria for addictive, substance related and co-occurring conditions for admission, continued stay, discharge, or referral to each level of care." The ASAM Criteria states "treatment planning should be a continuous process, with updates incorporated as needed when new information is learned or the patient's circumstances evolve."

We obtained treatment plans from HopeSource for the sampled payments. We reviewed all payments to determine if they were supported by a signed treatment plan.

C. Authorization to Provide Services (Continued)

Partial Hospitalization Services Sample

The 81 payments examined contained one instance in which the treatment plan did not authorize the service.

This one error is included in the projected improper payment amount of \$1,344,579.00.

Alcohol and/or Drug Treatment Program Services Sample

The 81 payments examined were compliant with the test criteria for treatment plans.

Prior Authorization

Ohio Admin. Code 5160-27-09(F) states prior authorization is required for stays exceeding 31 days of a first or second stay of admission.

Per Diem Services Requiring Prior Authorization Exception Test

The 3,837 payments examined contained 42 instances in which there was no prior authorization for services that exceed 30 consecutive days in a stay.

The 42 errors resulted in an improper payment amount of \$8,975.40.

Recommendation

HopeSource should develop and implement controls to ensure that all services billed are substantiated by a signed treatment plan and that treatment plans are updated as recipient needs change. HopeSource should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

D. Medicaid Requirements

Limitations

According to the audit limitations in the Medicaid Information Technology System for SUD group counseling, this service is limited to one hour of service (four units) on the same date of service as IOP. In addition, per Ohio Admin. Code 5160-27-02(C)(2), substance abuse urine drug screening is limited to one per day, per recipient.

Greater than Four Units of SUD Group Counseling on Same RDOS as IOP Service Exception Test

None of the 180 services tested exceeded the limitations.

Urine Drug Screen Services Exceeding Limitations on a RDOS Exception Test

The 24 payments examined contained 12 instances that exceeded the urine drug screen billing limitation.

These 12 errors resulted in an improper payment of \$173.73.

D. Medicaid Requirements (Continued)

Non-Billable Activities

Ohio Admin. Code 5160-8-05(E)(2) includes examples of activities for which no payment will be made, including among others, recreational therapy and services intended primarily for social interaction.

Partial Hospitalization Services Sample

The 81 payments examined contained 36 instances in which an unbillable activity was included in the documented service. Examples include: playing basketball, weightlifting, going to the gym, hanging holiday lights in the community park, decorating Christmas trees, playing cornhole, sleeping, art therapy, cleaning carpets at a church and aromatherapy.

These 36 errors are included in the projected improper payment amount of \$1,344,579.00.

Additional Services on Same RDOS as Sampled Partial Hospitalization Services Sample

The 99 payments examined contained eight instances in which an unbillable activity was included in the documented service.

These eight errors are included in the improper payment amount of \$1,479.77.

Recommendation

HopeSource should develop and implement controls to ensure that services exceeding limitations are not billed unless prior authorization is obtained. In addition, HopeSource should ensure that only billable activities are included in the time calculation for billable services. HopeSource should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Official Response

HopeSource was afforded an opportunity to respond to this report. The Auditor of State (AOS) submitted the full 404 page response to the Department and it can be obtained by contacting HopeSource at 800 Gallia Street, Portsmouth, Ohio 45662.

AOS Conclusion

HopeSource disputed the basis of the AOS determination that certain activities included in partial hospitalization services are not billable and the validity of the statistical sampling and extrapolation methodology. We reviewed the criteria and our methodologies and maintain that our results and recommendations are valid.

APPENDIX
Summary of Partial Hospitalization Services Sample

POPULATION

The population is all paid Medicaid partial hospitalization services (procedure code H0015 with TG modifier), net of all zero paid services, co-payments, third-party payments and Medicare crossover claims and less exception test services, where the service was billed with dates of service during the examination period of January 1, 2021 through December 31, 2023 and payment was made by the Department or the three selected MCEs.

SAMPLING FRAME

The sampling frame was paid and processed claims from the Department's and the MCEs claim systems. These systems contain all Medicaid payments and adjustments made to the Medicaid payments by the Department and the MCEs.

SAMPLE UNIT

The sampling unit was a service line.

SAMPLE DESIGN

We used a simple random sample.

Description	Results
Number of Services in Population	15,884
Number of Services Sampled	81
Number of Services Sampled with Errors	38
Total Medicaid Amount Paid for Population	\$3,571,041
Amount Paid for Population Sampled	\$18,210
Estimated Overpayment (Point Estimate)	\$1,675,303
Precision of Overpayment Estimate at 95% Confidence Level	\$395,501 (23.61%)
Precision of Overpayment Estimate at 90% Confidence Level	\$330,725 (19.74%)
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence	\$1,344,579

Source: Analysis of the Department and MCE's information and Hope Source LLC's records

OHIO AUDITOR OF STATE KEITH FABER



JAY HASH, LLC DBA HOPESOURCE

SCIOTO 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 8/12/2025

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

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