



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 BEHAVIORAL HEALTH SERVICES

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

RE: Keystone Richland Center LLC dba Foundations for Living  
Ohio Medicaid Number: 2847129  
National Provider Identifier: 1518986777

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation, service authorization and coverage limitations related to the provision of select behavioral health services as listed below during the period of January 1, 2021 through December 31, 2023 for Keystone Richland Center LLC doing business as Foundations for Living. We tested the following services:

- All instances in which a service was billed during a potential inpatient hospital stay;
- All instances in which the same procedure code was paid for the same recipient and service date by both fee-for-service (FFS) and a managed care entity (MCE);
- All instances in which more than one per diem therapeutic behavioral health service (TBS) was billed for the same recipient on the same day;
- All instances in which a per diem and an hourly TBS were billed for the same recipient on the same day;
- A sample of community psychiatric supportive treatment (CPST) services;
- A sample of remaining per diem TBS services.

Foundations for Living 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 Foundations for Living 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 Foundations for Living'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 Foundations for Living complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Foundations for Living and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

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An examination involves performing procedures to obtain evidence about whether Foundations for Living 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 Foundations for Living's compliance with the specified requirements.

***Internal Control over Compliance***

Foundations for Living 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 Foundations for Living's internal control over compliance.

***Basis for Qualified Opinion***

Our examination disclosed that, in a material number of instances, Foundations for Living billed for per diem group TBS services which did not meet the minimum duration requirements or did not have the service documentation to support the payment. In addition, there was no documentation to support the sampled CPST services.

***Qualified Opinion on Compliance***

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Foundations for Living has complied, in all material respects, with the select requirements for the selected services 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 Foundations for Living's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$11,784.49. This finding plus interest in the amount of \$692.54 (calculated as of September 29, 2025) totaling \$12,477.03 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 Foundations for Living, 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

October 30, 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.

Foundations for Living is an Ohio Department of Mental Health and Addiction Services certified agency (provider type 84) with one location in Mansfield, Ohio and received payment of approximately \$6.3 million under the provider number examined for over 64,000 behavioral health services.<sup>1</sup>

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Foundations for Living'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 services, as specified below, for which Foundations for Living billed with dates of service from January 1, 2021 through December 31, 2023 and received payment.

We obtained Foundations for Living's FFS claims from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We obtained paid claims data from two MCEs and confirmed the services were paid to Foundations for Living's tax identification number. From the FFS and MCE claims data, we removed all services paid at zero, co-payments, third-party payments and Medicare crossover claims. The scope of our examination included testing procedures related to select services as identified in the Independent Auditor's Report.

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

<b>Table 1: Behavioral Health Services</b>	
<b>Procedure Code</b>	<b>Description</b>
90832	Psychotherapy, 30 minutes
90837	Psychotherapy, 60 minutes
90846	Family Psychotherapy
99223	Initial Hospital Care
99233	Subsequent Hospital Care
99239	Hospital Discharge Day
H0036	CPST
H2012	TBS Services, Hourly
H2017	Mental Health Nursing (LPN)
H2019	Mental Health Nursing (LPN)
H2020	TBS Services, Per Diem

Source: Appendix to Ohio Admin. Codes 5160-1-60 and 5160-27-03

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<sup>1</sup> Based on payment data from the Medicaid claims database.

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**Purpose, Scope, and Methodology (Continued)**

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

<b>Table 2: Exception Tests and Samples</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Tests</b>			
Services During Potential Inpatient Stay <sup>1</sup>			7
Services Paid by FFS and MCE <sup>2</sup>			10
Duplicate TBS Services (H2020)			10
Recipients with Per Diem and Hourly TBS <sup>3</sup>			68
<b>Samples</b>			
CPST Services (H0036)	13,133 RDOS <sup>4</sup>	81	97
Per Diem TBS Services (H2020)	18,628	81	81
<b>Total</b>			<b>273</b>

<sup>1</sup> These services consisted of 99223, 99233, 99239, 90846 and H0036.

<sup>2</sup> These services consisted of 90832, 90837, H0036, H2017, H2019 and H2020.

<sup>3</sup> These services consisted of H2012 and H2020.

<sup>4</sup> RDOS is a recipient date of service and is defined as all services for a recipient on a specific day.

A notification letter was sent to Foundations for Living setting forth the purpose and scope of the examination. During the entrance conference, Foundations for Living 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 Foundations for Living, 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 Tests</b>				
Services During Potential Inpatient Stay	7	3	3	\$163.67
Services Paid by FFS and MCE	10	10	10	\$850.42
Duplicate TBS Services	10	5	5	\$819.82
Recipients with Per Diem and Hourly TBS	68	36	37	\$4,599.88
<b>Samples</b>				
CPST Services	97	12	15	\$580.78
Per Diem TBS Services	81	39	43	\$4,769.92
<b>Total</b>	<b>273</b>	<b>105</b>	<b>113</b>	<b>\$11,784.49</b>

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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 28 rendering practitioners in the service documentation for the selected 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.

*Licensure and Medicaid Enrollment*

For the 10 licensed/certified practitioners identified in the service documentation for the selected services, we verified via the e-license Ohio Professional Licensure System that their licenses or certifications were current and valid on the first date of service found in our selected services and were active during the remainder of the examination.

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 reviewed the Department's Provider Network Management system and verified 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.

**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 Admin. 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 Foundations for Living 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.

*Services During Potential Inpatient Stay Exception Test*

The seven services examined consisted of three recipients in which the reported service date occurred during a potential inpatient hospital stay. We requested verification from the rendering hospitals to confirm dates of admission and discharge for each of the recipients. One of the rendering hospitals did not respond to our request for confirmation; therefore, we were unable to determine whether three services were billed during the hospital stay. Foundations for Living did not have documentation to support these three services. These three errors resulted in the improper payment amount of \$163.67.

For the remaining four services, the rendering hospital confirmed the recipients were inpatient on the date of service; however, the service documentation from Foundations of Living confirmed the recipient was not present for the service.

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**B. Service Documentation (Continued)**

*Recipients with Per Diem and Hourly TBS Exception Test*

The 68 services examined consisted of 33 instances in which both a per diem and an hourly group TBS service were reimbursed for the same recipient on the same day. Per Ohio Admin. Code 5160-27-06(C)(3), a group TBS per diem and group TBS hourly will not be reimbursed when delivered on the same day by the same billing provider for the same individual. The 68 services examined contained the following errors:

- 22 instances in which the length of service did not meet the minimum duration requirement to be billed at the per diem rate<sup>2</sup>;
- 13 instances in which there was no documentation to support the service; and
- Two instances in which a service overlapped with another service for the same recipient.

These 37 errors resulted in the improper payment amount of \$4,599.88. After the above errors were identified, there were no instances in which a per diem and hourly group TBS service were rendered on the same day for the same recipient.

*CPST Services Sample*

The 97 services examined contained the following errors:

- Six instances in which there was no documentation to support the service;
- Two instances in which the service overlapped on the same day for the same recipient;
- One instance in which the documentation did not support the procedure code billed; and
- One instance in which the units billed exceeded the documented duration.

These 10 errors are included in the improper payment amount of \$580.78.

*Per Diem TBS Services Sample*

The 81 services examined contained the following errors:

- 32 instances in which the length of the service did not meet the minimum duration requirement;
- Four instances in which the service overlapped with another service for the same recipient; and
- Three instances in which there was no service documentation to support the service.

These 39 errors are included in the improper payment amount of \$4,769.92.

**Recommendation**

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

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<sup>2</sup> Per Ohio Admin. Code 5160-27-06(B)(1), when the service is provided for less than two hours and thirty minutes per day, the TBS group hourly billing code must be used.

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**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 Foundations for Living to confirm if the treatment plan indicated the service examined and was signed by the recording practitioner. We limited our testing of treatment plans to the sampled services described below.

*CPST Services Sample*

The 97 services examined contained three instances in which there was no treatment to support the service and two instances in which the treatment plan did not authorize the service. These five errors are included in the improper payment amount of \$580.78.

*Per Diem TBS Services Sample*

The 81 services examined contained three instances in which there was no treatment to support the service and one instance in which the treatment plan did not authorize the service. These four errors are included in the improper payment amount of \$4,769.92.

**Recommendation**

Foundations for Living should establish a system to ensure that plans of care authorizing the service are obtained prior to submitting claim for services to the Department. Foundations for Living should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

**D. Medicaid Coverage**

*Services Paid by FFS and MCE Exception Test*

Per Ohio Admin. Code 5160-1-17.2, by signing the Medicaid Provider Agreement the provider agrees to comply with the terms of the provider agreement, Ohio Revised Code, Ohio Administrative Code, and federal statutes and rules; and the provider certifies and agrees to submit claims only for services performed.

The claims data indicated there were 10 instances in which the same procedure code was reimbursed for the same recipient on the same day by both FFS and an MCO. We determined that the recipients were not enrolled in managed care on the date of service and identified the MCO payment as improper. These 10 errors resulted in the improper payment amount of \$850.42.

*Duplicate TBS Services Exception Test*

Per Ohio Admin. Code 5160-27-06(C), a Medicaid recipient can receive one therapeutic behavioral group service per-diem service per day per provider.

The 10 services examined consisted of five instances in which more than one per diem TBS was reimbursed for the same recipient on the same day. These five errors resulted in the improper payment amount of \$819.82.

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**Recommendation**

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

**Official Response**

Foundations for Living declined to submit an official response to the results stated above.

# OHIO AUDITOR OF STATE KEITH FABER



KEYSTONE RICHLAND CENTER, LLC DBA FOUNDATIONS FOR LIVING

RICHLAND 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 11/13/2025

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