



OHIO AUDITOR OF STATE  
**KEITH FABER**





# 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: Lawrence County Recovery, LLC  
Ohio Medicaid Number: 0359608

National Provider Identifier: 1982266656

We examined compliance with specified Medicaid requirements for select payments during the period of January 1, 2020 through December 31, 2022 for Lawrence County Recovery, LLC (Lawrence County Recovery).

We tested the following select payments:

- One month of case management services for the four recipients who received the highest number of case management;
- A sample of partial hospitalization services;
- A sample of intensive outpatient program (IOP) services; and
- A sample of case management services.

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

***Internal Control over Compliance***

Lawrence County 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 Lawrence County Recovery's internal control over compliance.

***Basis for Qualified Opinion***

Our examination disclosed that, in a material number of instances, Lawrence County Recovery treatment plans did not describe the services performed and were not linked to the goals or objectives outlined in the treatment plan to substantiate the medical necessity of services performed for IOP services.

***Qualified Opinion on Compliance***

In our opinion, except for the effects of the matters described in the Basis for Qualified paragraph, Lawrence County Recovery has complied in all material respects, with the select requirements for the selected payments 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 Lawrence County Recovery's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$3,073.12. This finding plus interest in the amount of \$489.00 (calculated as of January 7, 2025) totaling \$3,562.12 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 Lawrence County 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

January 28, 2025

## 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.

Lawrence County Recovery is an Ohio Department of Mental Health and Addiction Services certified agency (provider type 95) located in Lawrence County. Lawrence County Recovery received payment of approximately \$13.2 million including managed care and fee-for-service (FFS) payments for over 120,000 substance use disorder services.<sup>1</sup>

In addition, Lawrence County Recovery has Medicaid number 0041756 (NPI number 1326805185) for a professional medical group (provider type 21) and Medicaid number 0018036 (NPI number 1316638034) for an Ohio Department of Mental Health and Addiction Services mental health provider (provider type 84). Both of these Medicaid numbers were obtained after our examination period and accordingly, are not included in the scope of our examination.

### Purpose, Scope, and Methodology

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

We obtained Lawrence County 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 one managed care entity (MCE) and confirmed the services were paid to Lawrence County 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 one MCE and included testing procedures related to the select services as identified in the Independent Auditor's Report.

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

Table 1: Exception Test and Samples			
Universe	Population Size	Sample Size	Selected Payments
<b>Exception Test</b>			
One Month of Case Management Services for Four Recipients (procedure code H006)			90
<b>Samples</b>			
Partial Hospitalization Services (procedure code H0015 with TG modifier)	5,719	20	20

<sup>1</sup> Payment data from the Medicaid payment database.

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<b>Table 1: Exception Test and Samples</b>			
IOP Services (procedure code H0015)	20,293	85	85
Case Management Services (procedure code H006)	27,052	85	85
<b>Total</b>			<b>280</b>

A notification letter was sent to Lawrence County Recovery setting forth the purpose and scope of the examination. During the entrance conference, Lawrence County 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 Lawrence County 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 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 Test</b>				
One Month of Case Management Services for Four Recipients	90	4	4	\$390.80
<b>Samples</b>				
Partial Hospitalization Services	20	2	2	\$449.64
IOP Services	85	15	16	\$2,154.52
Case Management Services	85	1	1	\$78.16
<b>Total</b>	<b>280</b>	<b>22</b>	<b>23</b>	<b>\$3,073.12</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.

We identified 61 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/Certification*

For the 47 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 Lawrence County Recovery 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.

### *One Month of Case of Management Services for Four Recipients Exception Test*

The 90 payments examined contained three instances in which the service documentation was not unique to the recipient (incorrect recipient name and/or cloned note) and one instance in which the units billed were greater than the documented duration.

These four errors resulted in the improper payment of \$390.80.

### *Partial Hospitalization Services Sample*

The 20 payments examined contained two instances in which the minimum time requirement for the procedure code was not met.

These two errors resulted in the improper payment of \$449.64.

### *IOP Services Sample*

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

This one error is included in the improper payment of \$2,154.52.

### *Case Management Services Sample*

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

This one error resulted in the improper payment of \$78.16.

## **Recommendation**

Lawrence County Recovery 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, Lawrence County Recovery should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for payment. Lawrence County Recovery 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, 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).

### **C. Authorization to Provide Services (Continued)**

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 Lawrence County Recovery for the sampled payments. We reviewed all payments to determine if they were supported by a signed treatment plan.

#### *One Month of Case of Management Services for Four Recipients Exception Test*

The 90 payments examined contained the elements tested for treatment plans.

#### *Partial Hospitalization Services Sample*

The 20 payments examined contained the elements tested for treatment plans.

#### *IOP Services Sample*

The 85 payments examined contained 15 instances in which the treatment plan did not authorize the service.

These 15 errors are included in the improper payment of \$2,154.52.

#### *Case Management Services Sample*

The 85 payments examined contained the elements tested for treatment plans.

### **Recommendation**

Lawrence County Recovery 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. Lawrence County Recovery should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

### **Official Response**

Lawrence County Recovery declined to submit an official response to the results noted above.



# OHIO AUDITOR OF STATE KEITH FABER



**LAWRENCE COUNTY RECOVERY, LLC**

**LAWRENCE 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 2/13/2025**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)