



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Offices of Audit Services

April 12, 2004

Report Number: A-07-02-03024

Region VII
112th Street
Room 284A
Kansas City, Missouri 64106

Mr. Kevin W. Concannon
Director
Iowa Department of Human Services
Hoover State Office Building, Fifth Floor
1305 East Walnut
Des Moines, Iowa 50319

Dear Mr. Concannon:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General final report entitled "*Title XIX Federal Financial Participation Claimed for Rehabilitative Treatment Services Family Preservation.*" A copy of this report will be forwarded to the action official noted below for review and any action deemed necessary.

Final determination as to actions taken on all matters reported will be made by the HHS action official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

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If you have any questions or comments about this report, please do not hesitate to call me or Gregory Tambke, Audit Manager at (573) 893-8338, ext. 30 or through e-mail at gtambke@oig.hhs.gov. To facilitate identification, please refer to report number A-07-02-03024 in all correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "James P. Aasmundstad".

James P. Aasmundstad
Regional Inspector General
for Audit Services, Region VII

Enclosures – as stated

Page 2 – Mr. Kevin Concannon

Directly Reply to HHS Action Official:

Joe Tilghman, Regional Administrator
Midwestern Consortium Administrator
Centers for Medicare & Medicaid Services
601 East 12th Street, Room 235
Kansas City, Missouri 64106-2808

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**TITLE XIX FEDERAL FINANCIAL
PARTICIPATION CLAIMED FOR
REHABILITATIVE TREATMENT
SERVICES FAMILY PRESERVATION**



**APRIL 2004
A-07-02-03024**

Office of Inspector General

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OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed as well as other conclusions and recommendations in this report represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the awarding agency will make final determination on these matters.



EXECUTIVE SUMMARY

Objective

The objective of this review was to determine whether the amounts claimed by the Iowa Department of Human Services (the State) for the Rehabilitative Treatment Services Family Preservation Program met Title XIX reimbursement requirements for Federal financial participation (FFP). Our audit period was October 1, 2000 through September 30, 2001, Federal Fiscal Year (FFY) 2001.

Summary of Findings

Criteria

We identified findings that were not in compliance with applicable criteria including the Iowa State Plan, the Iowa Administrative Code and the Centers for Medicare and Medicaid Services report.

Condition

Of the 100 Family Preservation claims we reviewed, 35 were found to contain errors. We identified the following:

- 30 claims that lacked documentation to properly support billed services
- 7 claims in which the services provided were non-rehabilitative in nature

Effect

We found that the 35 RTS Family Preservation sample claims did not meet the required criteria for Medicaid reimbursement, and are therefore, not allowable.

Recommendations

We recommend that the State:

- Return to the Federal Government \$113,040 of the Medicaid FFP claimed for the Family Preservation Program for FFY 2001.
- Strengthen policies and procedures to ensure that Medicaid payments are based on services directed exclusively to the rehabilitative treatment needs of the child as defined in the State plan and are provided in compliance with State and Federal regulations.

Auditee's Comments

The State partially agreed with our report. In the response to the draft report, the State disagreed with the staff qualifications, authorization errors and non-family members findings in their entirety. They concurred in part with our finding for documentation errors and non-rehabilitative services. Additionally, the State requested we revise the report and recovery request to the extent of the claims they disputed.

Office of Inspector General's Response

We do not agree with the State in regard to all the claims they disputed for documentation errors and non-rehabilitative services. We modified the final report and recovery request to reflect the removal of the findings for authorization errors and non-family members. However, we still view the staff qualification finding as a significant issue, and while we did not include it as an error for purposes of calculating the overpayment, we included it under the "Other Matters" section of the report.

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INTRODUCTION

Background

The Medicaid program was established by Title XIX of the Social Security Act and is jointly funded by the Federal and State governments to provide medical assistance to qualified pregnant women, children, and needy individuals who are aged, blind, or disabled. Within broad Federal guidelines, states design and administer the program under the general oversight of the Centers for Medicare and Medicaid Services (CMS). Federal financial participation (FFP) is available to match expenditures under the State plan. In Iowa, the Department of Human Services (the State) is the State agency responsible for administering the Medicaid program. As the Medicaid State agency, the State is required to safeguard against unnecessary or inappropriate use of Medicaid services and against excess payments.

Federal regulations define rehabilitation services as any medical or remedial services recommended by a physician or other licensed practitioner of the healing arts within the scope of their practice under State law, for the maximum reduction of physical or mental disability and restoration of an individual to the best possible functional level. Rehabilitative Treatment Services (RTS) for Medicaid recipients age 20 or under are described in the Iowa State Plan under the Early and Periodic Screening, Diagnosis and Treatment Services (EPSDT). RTS are comprised of four distinct programs, which are: Family-Centered Services, Family Preservation, Family Foster Care, and Group Care.

The State plan requires that all RTS must:

- Be directed toward treatment of the Medicaid-eligible child,
- Be determined medically necessary and reasonable, and
- Be a specific and effective treatment for a child's medical or disabling condition, which meets accepted standards of medical and psychological practice.

The Iowa Administrative Code describes RTS Family Preservation Services as providing highly intensive and time-limited service interventions that are developed to prevent out-of-home placement of children. Services are designed to meet the needs of the family in crisis, with children that are in imminent or high risk of placement outside the home. Component services are provided in one core set and include: (1) Therapy and Counseling Services, (2) Skill Development Services, and (3) Psychosocial Evaluation. The Iowa Administrative Code also states these core services may include family members and can be provided in whatever locations are appropriate, except not while operating a motor vehicle. Services are billed on a basis of one unit with a service period of 10 or fewer days, or more than 10 days with a limited duration of 60 days and an expected average of 45 calendar days.

In 1994, CMS initiated a review of the Iowa RTS program, based on a combination of factors including the non-traditional Medicaid services included in the program and the significant cost of the program. The CMS Final Report on the Iowa RTS program (issued March 3, 1996) found:

- Documentation of rehabilitation services delivered to ineligible individuals.
- Some RTS program services billed to Medicaid were not rehabilitative in nature.
- Case files did not contain a medical diagnosis, which raised the question of medical necessity.
- Claims for some services had no documented support.

In response to the CMS report, the State indicated that certain corrective actions would be taken. Subsequently, CMS requested that the Office of Inspector General conduct an audit of the Iowa Rehabilitative Treatment Services to ensure that the State had procedures to safeguard against unnecessary or inappropriate use of Medicaid services and against excess payments.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The overall objectives of our RTS reviews were to determine: (1) whether RTS amounts claimed by the State for FFY 2001 met Medicaid Title XIX and Title XXI reimbursement requirements for FFP, and (2) whether the State's RTS Program met eligibility requirements for Medicaid FFP. We addressed each of the RTS programs in a separate report, as well as the RTS claims for the enhanced Title XXI FFP. Additionally, our second objective required a separate report to address issues that pertained to the RTS programs as a whole.

Our objective for this review (report number A-07-02-03024) was to determine whether the amounts claimed by the State for the Family Preservation Program met Title XIX reimbursement requirements for FFP for FFY 2001.

Scope

Our audit period was October 1, 2000 through September 30, 2001 (FFY 2001). Audit fieldwork was performed during 2002 at the State offices in Des Moines, Iowa and at RTS provider locations across Iowa and in Illinois. Additional audit work was performed at our Des Moines, Iowa field office. During our audit, we did not review the overall internal control structure of the State, or of the Medicaid program. Rather, our internal control review was limited to those controls pertaining directly to the RTS program.

Methodology

To accomplish our audit objective, we:

- Selected a simple random sample of 100 claims from a population of 291 Family Preservation claims for FFY 2001. The 291 claims totaled \$643,238 (\$403,117 FFP). The 100 random sample claims totaled \$226,922 (\$142,212 FFP) and were from 11 RTS providers. See Appendix B.
- Reviewed Federal and State laws, regulations and guidelines pertaining to the Medicaid program and RTS.
- Held discussions with: CMS regional office personnel; State officials; and contractors responsible for the authorization of RTS (Review Organization), certification of RTS providers (Certification Team), and transmission of RTS claims data (Fiscal Agent).
- Obtained data files of all RTS claims for FFY 2001, and reconciled the claim amounts to the CMS-64 reports that were submitted to CMS to claim FFP for FFY 2001.
- Obtained and analyzed supporting documentation from each of the 11 providers in our sample.

Our review was conducted in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

We determined that \$113,040 of the \$403,117 FFP claimed by the State for FFY 2001 for the Family Preservation Program was unallowable. We found errors that were not in compliance with the Iowa State Plan and the Iowa Administrative Code. We identified errors in 35 of the 100 sample claims. In addition, the number of client contacts per claim varied as the Iowa Administrative Code does not specify a required number of contacts. Accordingly, we only disallowed a claim when an error was present for 100% of client contacts. However, we noted the claims where the errors were present for some of the contacts. The sample claims and errors are summarized in Appendix A. We summarized the errors in two categories: A) Documentation Errors, and B) Non-Rehabilitative Services.

A. Documentation Errors

Criteria

The Iowa Administrative Code Section 441 Chapter 185.10 required that documentation of billed services must include the date, amount of time, setting, service provider, the

specific services rendered, the relationship to the treatment plan, and updates describing the client's progress. In addition, the case file is to include the treatment plan and a Psychosocial Evaluation Report. The report is a required part of services and is to be submitted prior to the final termination report.

Condition and Cause

We found 30 of the 100 sample claims failed to properly support the billed services. We identified multiple errors in three of these claims. However, we never questioned more than 100 percent of each claim.

The Iowa Administrative Code Section 441 Chapter 185.41 required that Family Preservation services include skill development, therapy and counseling and psychosocial evaluation. In the 28 claims we identified for specific services rendered unknown, each was missing documentation of at least one of these core services.

We identified the following documentation errors.

DOCUMENTATION ERRORS	NUMBER OF CLAIMS
Specific Services Rendered Unknown	28
Missing Treatment Plan	4
Untimely Submission of the Psychosocial Evaluation Report	1

Effect

The 30 claims are not allowable for Medicaid reimbursement, as the documentation requirements for billed services set forth by the Iowa Administrative Code were not met.

B. Non-Rehabilitative Services

Criteria

The CMS report stated that habilitative, social, educational, vocational, and/or leisure services delivered under the RTS program are not reimbursable under the Medicaid Program. The Iowa Administrative Code Section 441 Chapter 185.1 defined “nonrehabilitative” treatment needs as protective, supportive, or preventative, and “nonrehabilitative” services as those directed toward a family member to help them meet the treatment, safety, or permanency needs of a child. CMS also reported that services aimed at teaching or enhancing parenting skills and general age-appropriate training are not covered rehabilitation services, regardless of how the specific needs of the child are documented in the case files.

The Iowa State Plan under EPSDT required all RTS to be directed toward the treatment of the Medicaid-eligible child, be determined medically necessary and reasonable, and be a specific and effective treatment for the child’s condition.

Condition and Cause

We identified 7 of the 100 sample claims where 100% of the client contacts had services not considered rehabilitative treatment of the client. In addition, we noted 91 sample claims where some of the client contacts included services that were non-rehabilitative in nature. We found services monitoring and/or teaching parents about general age-appropriate discipline, cleaning, and safety. In addition, services focused on the parent's issues such as marriage, finances, housing, and the parent's mental health and substance abuse issues. Other non-rehabilitative services included providing transportation and supervised visits. The worker in one case filled trash bags, vacuumed, washed dishes and changed diapers.

Effect

The seven claims are not allowable for Medicaid reimbursement, as the services provided were not rehabilitative services as defined by the Iowa Administrative Code and the CMS report.

Recommendations:

We recommend that the State:

- Return to the Federal Government \$113,040 Medicaid FFP claimed for the Family Preservation Program for FFY 2001.
- Strengthen policies and procedures to ensure that Medicaid payments are based on services directed exclusively to the rehabilitative treatment needs of the child as defined in the State plan and are provided in compliance with State and Federal regulations.

OTHER MATTERS

We identified the following issues that although considered significant, were not independently counted as errors in our review of the 100 sample claims.

Staff Qualifications

The Iowa Administrative Code Section 441 Chapter 79.9 required that services covered by Medicaid should be within the scope of the licensure of the provider. The Iowa Code Section 154C.1 "Practice of Social Work" identified three categories of social work licensure: (1) Bachelor social workers (LBSW), (2) Master social workers (LMSW), and (3) Independent social workers (LISW). Only Licensed Master Social Workers and Licensed Independent Social Workers are listed as qualified to provide evaluation of symptoms and behaviors; strengths and weaknesses; diagnosis and treatment;

psychosocial therapy with individuals, couples, families, and groups; establishment of treatment goals and monitoring progress etc. According to the Iowa Board of Social Work Examiners, Bachelor level social workers may not provide therapy “...*in any setting...*”

We found 94 of the 100 sample claims had staff that appeared to lack the qualifications to develop treatment goals or provide therapy. Therapy and counseling is one of three core services for the Family Preservation Program, and development of treatment goals is a required part of therapy and counseling services. Our review indicated that at a minimum, individuals providing therapy and developing treatment goals should be Licensed Master Social Workers, Licensed Independent Social Workers, or the equivalent.

Public Places of Service and Sensitive Topics

We determined that 36 of the 100 sample claims included documentation of services provided in public settings where client confidentiality could be at risk. Additionally, many of these sessions dealt with sensitive topics, such as sexual abuse and children’s fears and problems.

The Social Security Act guarantees that a State plan must provide safeguards to restrict disclosure of information concerning recipients. The Iowa State Plan indicates RTS for Medicaid recipients age 20 or under may be provided in various settings, including the recipient’s home, school, or workplace, as well as provider facilities; yet also requires that rehabilitative services must be a specific and effective treatment for a client’s medical or disabling condition. The effectiveness of treatment services delivered in public settings where the general public may be observing and overhearing the entire treatment session may be questionable, and could pose considerable risk of violating the clients’ confidentiality.

Lack of Direct Patient Care

We identified there was a lack of direct patient care during some client contacts in 97 of the 100 sample claims. The CMS report stated that Medicaid services must involve *direct* patient care, and be directed exclusively to the effective treatment of the Medicaid-eligible individual in order to qualify for Medicaid reimbursement. The CMS report further stated that nothing in the Medicaid statute or regulations would permit allowing FFP for services provided to treat family members. In each of these 97 claims, the client was not present or not involved in the treatment services.

During our review we found documentation indicating that the State planned to implement a new policy to require the client’s presence during RTS, but this policy was never implemented.

Initial Contact Within 24 Hours

We found 18 of 100 sample claims did not meet the Iowa Administrative Code program requirement that the client/family receive face-to-face contact within 24 hours of the referral. The Family Preservation Program is distinguished from Family-Centered Services by the capacity to intervene immediately in a crisis situation. We identified some initial face-to-face contacts did not occur for seven or eight days after the referral for services was made.

AUDITEE'S COMMENTS

The State did not concur with all of our findings and recommendations. Their comments are summarized below and included in their entirety as Appendix C.

1) Timing of the Audit-Impact of DHS Audits and Recoupment

The State asserted the errors we identified, with few exceptions, are routinely reviewed and recoupments made during the State's audit process. They indicated significant overpayments are recouped as a result of their audits. Furthermore, they contended that the overlap of the State and Federal audit periods resulted in an overstatement of the error amounts, as the findings did not reflect amounts recouped by the State. The State requested the error amounts be adjusted to reflect FFP already returned to the Federal Government.

2) Staff Qualifications

The State did not concur with the 94 claims found to be in error for staff qualifications. They contended that the finding was a result of our misinterpretation of the terminology "therapy and counseling," which is used to depict services provided under the Family Preservation Program. In addition, they asserted that we incorrectly applied the State Social Work Board requirements for therapy, development of treatment goals (a component of therapy and counseling services), and psychosocial evaluation services to Family Preservation services. They indicated their position was supported by State statutes and regulations, which did not require those providing therapy and counseling services to be Licensed Master or Independent Social Workers.

3) Documentation and Authorization Errors

The State cited the documentation requirements for billed services from the Iowa Administrative Code and contested the following documentation and authorization errors.

DOCUMENTATION AND AUTHORIZATION ERRORS	NUMBER OF CLAIMS
Specific Services Rendered Unknown	22
Missing Authorization	3
Missing Treatment Plan	1
Untimely Submission of the Psychosocial Evaluation Report	1
Place of Service Unknown	1

4) Non-Rehabilitative Services

The State disagreed with three of the seven sample claims identified as non-rehabilitative services provided to clients. They asserted these services were rehabilitative services provided to the clients for these claims.

5) Non-Family Members Present

The State did not agree that the presence of non-family members during treatment services constituted an error. They stated there is no State or Federal law that precludes others from being present during services. They cited the Iowa Administrative Code, which allows services to be directed toward the client and shall include family members. They maintained that the decision of who should be present during services is determined on a case-by-case basis and all services are directed at meeting the client's needs, regardless of who is present.

OIG'S RESPONSE

1) Timing of the Audit-Impact of DHS Audits and Recoupment

Our review of the State's billing audit worksheets indicated their audits were limited to reviewing the documentation requirements for billed services stated in the Iowa Administrative Code and determining if the units billed for services were documented in the client's case files. We did not find the State audit process to be inclusive of reviewing for non-rehabilitative services.

The State's recoupments for the RTS Program for 2001 were only 0.38% of the total program cost. Therefore, we found the recoupments not to be significant, even considering the overlap of the State and Federal audit periods. Consequently, we determined that any overstatement of our findings due to the overlap was immaterial.

2) Staff Qualifications

We modified the report and recovery request to reflect the removal of staff qualifications as an independent error. However, we still consider this a significant issue and have reported it under the "Other Matters" section.

3) Documentation and Authorization Errors

The Iowa Administrative Code stated the requirements for documentation of billed services. We reviewed documentation provided by the State, and did not find any documentation of the services rendered for the 22 claims contested by the State. Additionally, the Iowa Administrative Code required the client's treatment plan to be included in the case file. For the one claim questioned by the State, we did not find a treatment plan in the case file at the time of our review or did we receive one from the provider upon request.

The Family Preservation Program requirements mandated a Psychosocial Evaluation Report be included in the case file and it is to be submitted prior to the final termination report. In our review of documentation provided by the State, we did not find that the report was submitted in a timely manner.

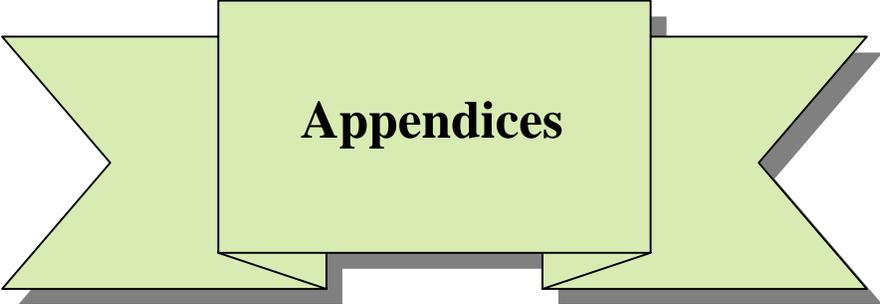
We concur with the State for the three claims contested for missing authorizations and the one claim questioned for place of service unknown. The final report and recovery request have been modified to reflect the removal of these findings.

4) Non-Rehabilitative Services

We reviewed documentation provided by the State and we do not concur that the three claims disputed by the State provided rehabilitative services to the client. These services did not meet the requirements of the Iowa State Plan, which stated, "...all RTS must be directed toward treatment of the Medicaid-eligible child, be determined medically necessary and reasonable, and be a specific and effective treatment for a child's medical or disabling condition, which meets accepted standards of medical and psychological practice."

5) Non-Family Members Present

We agreed with the State's position on this issue. The report and recovery request were modified to reflect the removal of this error.



Appendices

**Appendix A
Schedule of Sample Items**

Error Conditions:

Sample Order	Claim \$ Paid	Units Paid	\$ In Error	Units in Error	Documentation Errors			
					Specific Service Rendered Unknown	Missing Treatment Plan	Untimely PSE Submission	Non-Rehabilitative Services
1	\$ 2,359	1	\$ -	0				
2	\$ 2,213	1	\$ -	0				
3	\$ 2,432	1	\$ -	0				
4	\$ 2,213	1	\$ -	0				
5	\$ 2,213	1	\$ -	0				
6	\$ 2,360	1	\$ 2,360	1	1			
7	\$ 2,548	1	\$ -	0				
8	\$ 2,129	1	\$ 2,129	1	1			
9	\$ 2,359	1	\$ -	0				
10	\$ 2,359	1	\$ -	0				
11	\$ 2,213	1	\$ -	0				
12	\$ 2,249	1	\$ -	0				
13	\$ 2,213	1	\$ 2,213	1				1
14	\$ 2,213	1	\$ -	0				
15	\$ 2,360	1	\$ -	0				
16	\$ 2,432	1	\$ -	0				
17	\$ 2,545	1	\$ 2,545	1	1			
18	\$ 2,213	1	\$ -	0				
19	\$ 2,213	1	\$ -	0				
20	\$ 2,213	1	\$ -	0				
21	\$ 2,545	1	\$ 2,545	1	1			
22	\$ 2,213	1	\$ -	0				
23	\$ 2,548	1	\$ -	0				
24	\$ 2,353	1	\$ 2,353	1	1			
25	\$ 2,956	1	\$ 2,956	1	1			
26	\$ 2,359	1	\$ 2,359	1				1
27	\$ 2,360	1	\$ -	0				
28	\$ 2,548	1	\$ -	0				
29	\$ 2,956	1	\$ 2,956	1				1
30	\$ 2,432	1	\$ -	0				
31	\$ 629	1	\$ 629	1	1	1		
32	\$ 2,956	1	\$ -	0				
33	\$ 2,956	1	\$ -	0				
34	\$ 2,570	1	\$ -	0				
35	\$ 629	1	\$ 629	1	1	1		
36	\$ 2,213	1	\$ -	0				
37	\$ 2,548	1	\$ -	0				
38	\$ 2,213	1	\$ 2,213	1				1
39	\$ 2,359	1	\$ -	0				
40	\$ 2,359	1	\$ 2,359	1	1			
41	\$ 2,213	1	\$ -	0				
42	\$ 2,548	1	\$ -	0				
43	\$ 2,213	1	\$ -	0				
44	\$ 2,213	1	\$ -	0				
45	\$ 2,359	1	\$ -	0				
46	\$ 2,249	1	\$ 2,249	1				1
47	\$ 2,249	1	\$ -	0				
48	\$ 2,129	1	\$ 2,129	1	1			
49	\$ 2,359	1	\$ -	0				
50	\$ 2,129	1	\$ 2,129	1	1			
51	\$ 2,213	1	\$ -	0				
52	\$ 2,545	1	\$ 2,545	1	1			
53	\$ 2,359	1	\$ -	0				
54	\$ 2,956	1	\$ -	0				
55	\$ 2,359	1	\$ -	0				

Appendix A
Schedule of Sample Items

Error Conditions:

Sample Order	Claim \$ Paid	Units Paid	\$ In Error	Units in Error	Documentation Errors			
					Specific Service Rendered Unknown	Missing Treatment Plan	Untimely PSE Submission	Non-Rehabilitative Services
56	\$ 2,129	1	\$ 2,129	1	1			
57	\$ 2,353	1	\$ 2,353	1	1			
58	\$ 2,432	1	\$ -	0				
59	\$ 2,213	1	\$ -	0				
60	\$ 2,359	1	\$ -	0				
61	\$ 2,359	1	\$ -	0				
62	\$ 2,213	1	\$ -	0				
63	\$ 2,129	1	\$ 2,129	1	1			
64	\$ 2,548	1	\$ -	0				
65	\$ 2,424	1	\$ 2,424	1	1	1		
66	\$ 2,249	1	\$ -	0				
67	\$ 2,213	1	\$ -	0				
68	\$ 2,548	1	\$ -	0				
69	\$ 2,129	1	\$ 2,129	1	1			
70	\$ 2,432	1	\$ -	0				
71	\$ 2,213	1	\$ -	0				
72	\$ 546	1	\$ -	0				
73	\$ 2,129	1	\$ 2,129	1	1			
74	\$ 2,359	1	\$ -	0				
75	\$ 2,432	1	\$ 2,432	1	1			1
76	\$ 546	1	\$ -	0				
77	\$ 2,359	1	\$ -	0				
78	\$ 2,360	1	\$ 2,360	1			1	
79	\$ 2,213	1	\$ -	0				
80	\$ 2,213	1	\$ -	0				
81	\$ 2,360	1	\$ -	0				
82	\$ 2,432	1	\$ -	0				
83	\$ 2,353	1	\$ 2,353	1	1			
84	\$ 629	1	\$ 629	1		1		
85	\$ 2,359	1	\$ -	0				
86	\$ 2,353	1	\$ 2,353	1	1			
87	\$ 2,129	1	\$ 2,129	1	1			
88	\$ 2,353	1	\$ 2,353	1	1			1
89	\$ 2,548	1	\$ -	0				
90	\$ 2,359	1	\$ -	0				
91	\$ 2,129	1	\$ 2,129	1	1			
92	\$ 2,129	1	\$ 2,129	1	1			
93	\$ 2,249	1	\$ -	0				
94	\$ 2,249	1	\$ -	0				
95	\$ 2,359	1	\$ -	0				
96	\$ 2,353	1	\$ 2,353	1	1			
97	\$ 2,353	1	\$ 2,353	1	1			
98	\$ 2,359	1	\$ -	0				
99	\$ 2,359	1	\$ -	0				
100	\$ 2,545	1	\$ 2,545	1	1			
* Totals:	\$ 226,922	100	\$ 76,716	35	28	4	1	7

* Units in error=claims in error

SAMPLE METHODOLOGY

Population:

The RTS Family Preservation Program sampling population consisted of claims made by the State of Iowa for Title XIX Federal Financial Participation reimbursement during Federal Fiscal Year 2001 for payments made to providers. The Family Preservation claims totaled 291 for \$643,238 with FFP equal to \$403,117.

Sample Unit:

The sample unit consisted of a claim for one type of Family Preservation service received by an individual client for the month of service. Service codes included those beginning with B15 and B17.

Sample Design:

A simple random sample was used to determine the results.

Sample Size:

A sample size of 100 units was used.

Estimation Methodology:

We used the Department of Health and Human Services, Office of Inspector General, Office of Audit Services Statistical Software Variable Unrestricted Appraisal program to project the amount of the unallowable claims based on the dollar value of sample units determined to be in error. The estimate of unallowable claims was reported using the “difference estimator” at the lower limit of the ninety percent two-sided confidence interval.

Sample Results:

The results of our review are as follows:

<u>Sample Size</u>	<u>Value of Sample</u>	<u>Number of Non-Zero Errors</u>	<u>Value of Errors</u>
100	\$226,922	35	\$76,716

Variable Projections:

	<u>Claim Dollars</u>	<u>FFP Dollars</u>
Point Estimate	\$223,245	\$139,908
90% Confidence Interval		
Lower Limit	\$180,373	\$113,040
Upper Limit	\$266,116	\$166,775



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEC 16 2003

DEPARTMENT OF HUMAN SERVICES
KEVIN W. CONCANNON, DIRECTOR

James P. Aasmundstad, Regional Inspector General for Audit Services
HHS/OIG/OAS, Region VII
Room 284A
601 East 12th Street
Kansas City, MO 64106

RE: TITLE XIX FEDERAL FINANCIAL PARTICIPATION CLAIMED FOR REHABILITATIVE
TREATMENT SERVICES FAMILY PRESERVATION – AUDIT REPORT CIN: A-07-02-
03024

Dear Mr. Aasmundstad:

This is in response to a draft report dated November 5, 2003, concerning the Office of Inspector General's (OIG) audit of Iowa's claim for federal financial participation (FFP) under title XIX for rehabilitative treatment Family Preservation services for federal fiscal year 2001. The Iowa Department of Human Services (DHS) is the state Medicaid agency.

In conducting the audit, OIG randomly selected for review 100 claims from a total of 291 Family Preservation claims for federal fiscal year 2001. The report indicates that OIG found errors in 98 of the 100 claims sampled with 33 of these having multiple errors. OIG summarized the errors it found into four categories. OIG extrapolated its findings from the 100 claims sampled to all Family Preservation claims during the audit period resulting in a recommended disallowance of \$392,144 of the FFP claimed for these services for that period. The draft report also identifies three additional areas of concern that were not independently counted as errors.

The attached response addresses each finding and other concerns individually, indicating whether DHS agrees or disagrees with the finding or concern, as well as providing some general comments about the audit and draft report. DHS appreciates the effort of OIG in conducting this audit and the opportunity to provide comments that will be incorporated into the final report.

Questions about the attached response can be addressed to:

Bob Krebs
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Des Moines, IA 50319
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Sincerely,


Kevin W. Concannon
Director

**AUDIT OF TITLE XIX FEDERAL FINANCIAL PARTICIPATION CLAIMED BY
IOWA FOR REHABILITATIVE TREATMENT SERVICES
FAMILY PRESERVATION SERVICES
AUDIT REPORT CIN: A-07-02-03024**

Comments from Iowa Department of Human Services (December 11, 2003)

GENERAL COMMENTS

OIG Interpretation of State Requirements:

It is the position of the Iowa Department of Human Services that OIG misinterpreted state law and administrative rule requirements pertaining to staff qualifications. This misinterpretation alone, resulted in the only "finding of error" in over 63% of the sampled claims having an error. It is important to note that the staff qualification errors are the result of OIG's interpretation of **state** rather than federal requirements. This same interpretation resulted in OIG's determination that an error existed for each claim identified under this category. As described in more detail below, DHS is contesting OIG's interpretation of the state requirements associated with staff qualifications and requesting that all errors under this category be eliminated, the total number of units and dollar amount in error adjusted accordingly and the amount of any extrapolated disallowance recalculated after taking into account any other revisions necessary based on DHS's responses to the remaining findings.

Although the errors found by OIG in the sample of Family Preservation claims reviewed are summarized under four categories, this category (staff qualifications) is of particular concern due to its frequency and the methodology used by OIG in determining that errors existed. OIG found that 94 of the 100 claims sampled were in error for failure to meet staff qualifications. While this finding is specifically addressed under the **FINDINGS** section of this response, DHS wants to emphasize that this finding taken individually, has a substantial impact on the overall findings of the sampled claims and the recommended disallowance. Excluding all staff qualification errors could potentially reduce the overall unduplicated number of sampled units found in error by 62, over 63% of the total sampled units found in error. Further, excluding all staff qualification errors would eliminate 62 sampled claims (63% of all sampled claims having an error) from having any errors, and reduce the amount of sampled claims in error by over 64%.

Timing of the Audit - Impact of DHS Audits and Recoupment:

In selecting federal fiscal year 2001 as the audit period, OIG sampled Family Preservation claims prior to the DHS routine audit on these claims. DHS wants to clarify and emphasize that documentation and authorization errors are routinely identified during DHS audits of RTS providers. If necessary, corrective actions are taken, including claiming adjustments and recoupment of claims paid in error. DHS, through its standard auditing practice, conducted 5 audits of Family Preservation services including dozens of claims, provided in whole, or in part, in federal fiscal year (FFY) 2001. Overpayments are recouped and claiming adjustments made as the result of these audits.

Due to the coinciding of the OIG and DHS audit periods, adjustments to claims that would normally result from DHS audits did not occur until after OIG selected its audit universe and conducted its audit. Consequently, the OIG audit error amounts are overstated as they do not

reflect adjustments resulting from DHS audits conducted during the OIG audit period. In addition, DHS is requesting that the error amounts be adjusted to take into account federal financial participation (FFP) already returned by DHS for FFY 2001 claims as the result of DHS audits, and the amount of any extrapolated disallowance recalculated, so DHS is not required to repay the same FFP twice.

FINDINGS

Staff Qualifications

OIG Finding:

We found that 94 of the 100 Family Preservation sample claims had staff that lacked the qualifications to develop treatment goals or provide therapy and psychosocial evaluation services. Therapy and counseling and psychosocial evaluation are required core services for the Family Preservation Program and development of treatment goals is a required part of therapy and counseling services. At a minimum, individuals providing therapy, psychosocial evaluation services or developing treatment goals should be Licensed Master Social Workers, Licensed Independent Social Workers, or the equivalent. In 94 of the 100 sample claims, staff that did not have these minimum qualifications provided treatment.

The Iowa Administrative Code required that services covered by Medicaid should be within the scope of the licensure of the provider. The Iowa Code 154C.1 “Practice of Social Work” identified three categories of social work licensure: (1) Bachelor social workers (LBSW), (2) Master social workers (LMSW), and (3) Independent social workers (LISW). Only Licensed Master Social Workers and Licensed Independent Social Workers are listed as qualified to provide evaluation of symptoms and behaviors, strengths, and weaknesses; diagnosis, and treatment; psychosocial therapy with individuals, couples, families, and groups; establishment of treatment goals and monitoring progress etc. According to the Iowa Board of Social Work Examiners, Bachelor level social workers may not provide therapy, “...*in any setting*....”

DHS Response:

This finding is based on the auditor’s misunderstanding of state social work licensure requirements and of the services provided under the RTS program.

Regarding the provision of “psychosocial evaluation services,” the Iowa social work licensure requirements allow both bachelor social workers and master social workers to provide “psychosocial assessment.” Bachelor social workers “provide psychosocial assessment and intervention,” while master social workers can do bachelor-level social work and “provide psychosocial assessment, diagnosis, and treatment.” See Iowa Code § 154C.1(3)(a)-(b). Thus, what distinguishes master social workers from bachelor social workers is the provision of psychosocial *diagnosis* and *treatment* by the master social workers. Either masters or bachelors

can provide psychosocial assessments or evaluations. Therefore, the draft report's statement that "[a]t a minimum, individuals providing . . . psychosocial evaluation services . . . should be Licensed Master Social Workers, Licensed Independent Social Workers, or the equivalent" is incorrect.

Regarding "therapy," the services provided under the RTS program do not include "therapy." As stated in the background section of the draft report, the relevant RTS service is "therapy and counseling," which is defined in the state administrative rules governing the RTS program as "services to halt, control or reverse undue stress and severe social, emotional or behavioral problems that threaten, or have negatively affected the child's and the child's family's stability." 441 Iowa Admin. Code 185.1. In contrast, state social work licensing requirements provide that the practice of social work by master social workers includes "psychosocial therapy" that is part of the psychosocial diagnosis and treatment which distinguishes master social workers from bachelor social workers. Iowa Code § 154C.1(3)(b). "Therapy and counseling" under the RTS program is not "psychosocial therapy" that is part of psychosocial diagnosis and treatment within the meaning of the state social work licensing requirements. Therefore, the draft report's statement that "[a]t a minimum, individuals providing therapy [*i.e.*, RTS "therapy and counseling"] . . . should be Licensed Master Social Workers, Licensed Independent Social Workers, or the equivalent" is also incorrect.

Regarding the development of treatment goals, state social work licensing requirements provide that the practice of social work by Master Social Workers includes "differential treatment planning" that is part of the psychosocial diagnosis and treatment which distinguishes master social workers from bachelor social workers. Iowa Code § 154C.1(3)(b). The development of treatment goals for "therapy and counseling" under the RTS program does not constitute "differential treatment planning" as part of psychosocial diagnosis and treatment. Therefore, the statement in the draft report that "[a]t the minimum, individuals . . . developing treatment goals should be Licensed Master Social Workers, Licensed Independent Social Workers, or the equivalent" is also incorrect.

DHS's position on these matters is supported by the applicable state statutes and rules, past practice in the State, and 2001 state legislation directing DHS to further relax the staff qualifications for therapy and counseling services under the RTS program (which already did not require that those providing therapy and counseling or developing treatment goals for therapy and counseling must be Licensed Master Social Workers, Licensed Independent Social Workers, or the equivalent). See Iowa Code ch. 154C; 441 Iowa Admin. Code ch. 185; 645 Iowa Admin. Code ch. 282 (as amended August 11, 2003, to be published in the Iowa Administrative Bulletin on September 3, 2003); Iowa Acts 2001, ch. 135, sec. 23(1).

Documentation and Authorization Errors

OIG Finding:

We found 31 of the 100 sample claims failed to properly support the billed services. The Iowa Administrative Code required that documentation of billed services must include the date, amount of time, setting, service provider, updates describing client’s progress, the relationship to the treatment plan, and the specific services rendered. The core services required for the Family Preservation Program include skill development, therapy and counseling and psychosocial evaluation. In the 28 claims we identified, each was missing documentation of at least one of these core services. In addition, the Iowa Administrative Code requires the case file to include the authorization for services, the treatment plan, and a Psychosocial Evaluation Report. The report is a required part of services and is to be submitted prior to the final termination report. We identified the following documentation and authorization errors.

DOCUMENTATION AND AUTHORIZATION ERRORS	NUMBER OF CLAIMS
Specific Services Rendered Unknown	28
Missing Treatment Plan	4
Missing Authorization	3
Untimely Submission of the Psychosocial Evaluation Report	1
Place of Service Unknown	1

DHS Response:

The administrative rule establishing documentation requirements for RTS (441 IAC—185.10(6)b) states the following:

b. Documentation of billed services. Documentation shall include:

- the date and amount of time services were delivered except when delivering restorative living and social skill development services in a group care setting only the date and shift hours shall be identified,
- who rendered the services,
- the setting in which the services were rendered,
- the specific services rendered and
- the relationship of the services to the services described in the treatment plan, and
- updates describing the client’s progress. For the family preservation program this documentation shall be provided every ten days on Form 470-2413, Family Preservation Service Report.

DHS reviewed each of the 36 claims identified as having one or more documentation or authorization errors and found the following:

DOCUMENTATION ERRORS	NUMBER OF CLAIMS FOUND IN ERROR BY OIG	DHS FINDINGS
Specific Services Rendered Unknown	28	Out of the 28 claims/units identified by OIG as deficient, DHS takes exception to the findings in 22 claims/units.
Place of Service Unknown	1	DHS takes exception to the 1 claim/unit identified by OIG as deficient.
Missing Authorization	3	DHS takes exception to the 3 claims/units identified by OIG as deficient.
Missing Treatment Plan	4	Out of the 4 claims/units identified by OIG as deficient, DHS takes exception to the findings in 1 claim/unit.
Missing Psychosocial Evaluation	1	DHS takes exception to the 1 claim/unit identified by OIG as deficient.

Refer to Attachment A for details.

DHS requests that the final report be revised to reflect the correct status of these claims and corresponding units and amount found to be in error for this reason, and that any recommended disallowance be adjusted accordingly.

As previously noted, DHS routinely identifies this type of error during its own auditing process and takes appropriate corrective action, including claims adjustment and recoupment, which are not reflected in the OIG findings. DHS is requesting that the error amounts be adjusted to take into account federal financial participation (FFP) already returned by DHS for FFY 2001 claims as the result of DHS audits, and the amount of any extrapolated disallowance recalculated, so DHS is not required to repay the same FFP twice.

Non-Rehabilitative Services

OIG Finding:

We identified 7 of the 100 sample claims where 100% of the client contacts had services not considered rehabilitative treatment of the client. In addition, we noted 91 sample claims where some of the client contacts included services that were non-rehabilitative in nature.

We found services monitoring and/or teaching parents about general age-appropriate discipline, cleaning, and safety. In addition, services focused on the parent’s issues such as marriage, finances, housing, and the parent’s mental health and substance abuse issues. Other non-

rehabilitative services included providing transportation and supervised visits. The worker in one case filled trash bags, vacuumed, washed dishes and changed diapers.

The CMS report stated that habilitative, social, educational, vocational, and/or leisure services delivered under the RTS program are not reimbursable under the Medicaid Program. The Iowa Administrative Code defined “nonrehabilitative” treatment needs as protective, supportive, or preventative, and “nonrehabilitative” services as those directed toward a family member to help them meet the treatment, safety, or permanency needs of a child. CMS also reported that services aimed at teaching or enhancing parenting skills and general age-appropriate training are not covered rehabilitation services, regardless of how the specific needs of the child are documented in the case files.

DHS Response:

DHS reviewed each of the 7 claims identified for which OIG identified 100% of the client contacts having services not considered rehabilitative treatment of the client and found that there was documentation of contacts which were rehabilitative treatment of the child in 3 out of 7 of those claims.

Refer to Attachment A for details.

As previously noted, DHS routinely identifies this type of error during its own auditing process and takes appropriate corrective action, including claims adjustment and recoupment, which are not reflected in the OIG findings. DHS is requesting that the error amounts be adjusted to take into account federal financial participation (FFP) already returned by DHS for FFY 2001 claims as the result of DHS audits, and the amount of any extrapolated disallowance recalculated, so DHS is not required to repay the same FFP twice.

Non-Family Members Present

OIG Finding:

We identified 2 of the 100 claims in which non-family members were present for treatment services during 100% of client contacts. In addition, we noted 79 sample claims where some of the client contacts included non-family members present during services. The Iowa Administrative Code allowed Family Preservation Services to be directed toward the client and shall include family members, yet specifically limited the definition of family to include:

- Legal spouses who reside in the same household.
- Natural, adoptive or stepmother or father, and children who reside in the same household.

- A child who lives alone or resides with a person, or persons, not legally responsible for the child's support.

We identified individuals such as friends and parents' paramours, included in treatment sessions, who did not meet the Iowa Administrative Code definition of family. We also noted sensitive topics were discussed in the presence of these non-family members.

DHS Response:

DHS takes exception to the 2 claims and units found in error for this reason. The Iowa Administrative Code, IAC 441-185.42, allows Family Preservation services to be *directed* toward the child and *shall* include family members (emphasis added). While this rule requires that either the child or family members, or both, be present during Family Preservation services, it does not prohibit other persons whom the child or the child's family have agreed to or requested, from being present during services. The decision of who should be present while services are delivered is one that must be made based on individual circumstances. Clients and their families should be able to include whomever they wish at their own discretion.

OIG has failed to cite any federal or state law, regulation or rule that precludes others from being present when services are delivered. There are many instances when it is not only appropriate, but also essential, to include others, such as live-in paramours, clergy, extended family, etc., when delivering Family Preservation services. Regardless of who is present while Family Preservation services are provided, all services are directed toward meeting the needs of the child rather than the needs of family members or anyone else present when services are provided. DHS requests that the final report be revised to reflect the correct status of these 2 claims and corresponding units and amount found to be in error for this reason, and that any recommended disallowance be adjusted accordingly.

RECOMMENDATIONS

OIG Recommendations:

We recommend that the State:

- Return to the Federal Government \$392,144 Medicaid FFP claimed for Family Preservation Program for FFY 2001.
- Strengthen policies and procedures to ensure that Medicaid payments are based on services directed exclusively to the rehabilitative treatment needs of the child as defined in the State plan and are provided in compliance with State and Federal regulations.

DHS Response:

DHS contends that it has sufficiently demonstrated that a substantial number of errors identified in the draft report are unfounded, warranting a significant revision of the report's findings as well as any recommended disallowance. DHS is prepared to work with OIG to re-examine the errors in question and resolve any discrepancies between OIG's findings and DHS's review.

DHS contends that as described throughout this response, its current policies and procedures are adequate to ensure Medicaid payments for RTS services are made in accordance with the State Plan and comply with state and federal regulations.

OTHER MATTERS

Public Places of Service and Sensitive Topics

OIG Statement:

We determined that 36 of the 100 sample claims included documentation of services provided in public settings where client confidentiality could be at risk. Additionally many of these sessions dealt with sensitive topics, such as sexual and physical abuse, children's fears and problems, and a client's suicide attempt.

The Social Security Act guarantees that a State plan must provide safeguards to restrict disclosure of information concerning recipients. The Iowa State Plan indicates RTS for Medicaid recipients age 20 or under may be provided in various settings, including the recipient's home, school, or workplace, as well as provider facilities; yet also requires that rehabilitative services must be a specific and effective treatment for a client's medical or disabling condition. The effectiveness of treatment services delivered in public settings where the general public may be observing and overhearing the entire treatment session may be questionable, and could pose considerable risk of violating the clients' confidentiality.

DHS Response:

DHS concurs that RTS providers must be ever vigilant regarding the protection of client confidentiality. While OIG notes documentation that services were provided in public settings, there is no evidence that any of the services provided in such settings were provided in a manner that would allow the general public to observe or overhear the treatment sessions. Such implication by OIG is based only on supposition.

Lack of Direct Patient Care

OIG Statement:

We identified there was a lack of direct patient care during some client contacts in 97 of the 100 sample claims. The CMS report stated that Medicaid services must involve *direct* patient care, and be directed exclusively to the effective treatment of the Medicaid-eligible individual in order to qualify for Medicaid reimbursement. The CMS report further stated that nothing in the Medicaid statute or regulations would permit allowing FFP for services provided to treat family members. In each of these 97 claims, the client was not present or not involved in the treatment services.

During our review we found documentation indicating that the State planned to implement a new policy to require the client's presence during RTS, but this policy was never implemented.

DHS Response:

DHS agrees that, under CMS rules for the Rehabilitative Treatment and Supportive Services program, rehabilitative treatment services must be directed toward the client, who is the child. However, the child need not be present during service delivery as long as the service is directed toward the identified needs of the child. This position has been supported by the regional Centers for Medicare and Medicaid Services (CMS) office as evidenced by documentation found in Attachment B of this response of a conversation between DHS and the regional CMS office held January 18, 2002. Attachment B consists of an excerpt from a letter dated February 5, 2002, from DHS to the regional CMS office, summarizing the agreement between DHS and the regional CMS on the issue of whether the child must be physically present during the delivery of RTS services. As indicated, the regional CMS had determined that, "pending further CMS clarification on this issue, DHS would not be out of compliance if the child was not present when services are provided, so long as the documentation indicated that the service was directed toward the treatment of the eligible child."

Initial Contact Within 24 Hours

OIG Statement:

We found 18 of 100 sample claims did not meet the Iowa Administrative Code program requirement that the client/family receive face-to-face contact within 24 hours of the referral. The Family Preservation Program is distinguished from Family-Centered Services by the capacity to intervene immediately in a crisis situation. We identified some initial face-to-face contacts did not occur for seven or eight days after the referral for services was made.

DHS Response:

Iowa administrative rules require that Family Preservation providers have the capacity to provide for an immediate response to referrals with face-to-face contact within 24 hours of the referral. This policy is based on the fact that Family Preservation services are intended for situations in which the child would otherwise have to be placed out of home in order to ensure the child's safety, but for the provision of Family Preservation services. RTS certification staff check for compliance with this requirement during their onsite certification reviews of Family Preservation providers. They report that in general, providers are in compliance with this requirement, although they did identify one provider in the last 2 years that did not maintain sufficient documentation to determine if the provider was in compliance with this requirement. In that case, the provider was required to complete a corrective action plan.

OIG's report notes that they identified 18 out of 100 sample claims in which the provider's initial contact did not occur within 24 hours of referral, and some instances where contact did not occur until seven or eight days after the referral for services was made. This is a significant concern for DHS, and we have requested detail on the specific cases and providers, so that we can follow up with the providers regarding corrective action.

**AUDIT OF TITLE XIX FEDERAL FINANCIAL PARTICIPATION CLAIMED BY
IOWA FOR REHABILITATIVE TREATMENT SERVICES
FAMILY PRESERVATION SERVICES
AUDIT REPORT CIN: A-07-02-03024
Comments from Iowa Department of Human Services (December 11, 2003)**

ATTACHMENT A

Background

During the weeks of November 17th and 24th, DHS project managers conducted a “look behind” review of the 100 Family Preservation claims reviewed by OIG with respect to error findings concerning documentation and authorization and non-rehabilitative services. Out of the 36 claims (36 units) in the amount of \$79,175.74 that were identified as deficient in the OIG findings under B and C of the OIG report, DHS disputes the findings in whole or in part for 26 claims (26 units) in the amount of \$59,518.46.

The results of the DHS review for specific claims are included in the following spreadsheet.

Attachment A		OIG Findings - Documentation Errors											DHS Response		
Sample	Date of	Service	Claim \$	Units	\$	Units	Specific Services rendered	Place of Service	Missing Authorization	Missing Treatment Plan	Missing PSE	Non-Rehabilitative	Agree	Disagree	Findings
Order	Service	Code	Paid	Paid	In Error	In Error	Unknown	Unknown	Unknown			Services			
46	12/01/00	B170	2249.1	1	2249.1	1						1		1	Disagree. Three sessions of 10/18, 10/26 and 11/20/2000 describe both teaching of family skills and behavioral interventions that were used by Tanager staff which were directed at the treatment plan goals of regaining a healthy parent/child relationship and the child gaining the ability to display age-appropriate behavior.
26	10/01/00	B170	2359.41	1	2359.41	1						1		1	Disagree. The services documented were appropriate and directed towards the client's identified needs and provided in accordance with the treatment plan.
77	03/01/01	B170	2359.41	1	2359.41	1			1					1	Disagree. While the 3055 was not in the case file, there was an authorization in the DHS system that covered these services/dates. Services were provided and were eligible for payment. Documentation of the authorization is available from DHS.
40	07/01/01	B170	2359.41	1	2359.41	1	1							1	Disagree. The services documented were appropriate therapy and counseling and skill development and directed towards the client's identified needs and provided in accordance with the treatment plan.
88	08/01/01	B170	2353.38	1	2353.38	1	1					1		1	Disagree. Found at least 1 example of each of the 3 required components in the documentation. Found documentation that the provider was addressing the needs of the child. The provider was addressing those needs through the adults.
86	12/01/00	B170	2353.38	1	2353.38	1	1							1	Disagree. Found the Psychosocial Evaluation (PSE), 4 examples of skill development and 1 example of therapy & counseling. All three elements were there.
83	05/01/01	B170	2353.38	1	2353.38	1	1							1	Disagree. Found the PSE, 5 examples each of therapy & counseling and skill development. All three elements were there.

96	data redacted	10/01/00	B170	2353.38	1	2353.38	1	1											1	Disagree. Found the PSE, 2 examples each of therapy & counseling and skill development. All three elements were there.
57	data redacted	07/01/01	B170	2353.38	1	2353.38	1	1											1	Disagree. Found the PSE, and at least 6 examples of therapy & counseling and 9 examples of skill development. All three elements were there.
97	data redacted	05/01/01	B170	2353.38	1	2353.38	1	1											1	Disagree. Found the PSE, and 2 examples each of therapy & counseling and skill development. All three elements were there.
24	data redacted	12/01/00	B170	2353.38	1	2353.38	1	1											1	Disagree. Found the PSE, and 3 examples of therapy & counseling. Found no examples of skill development
6	data redacted	01/01/01	B170	2360.32	1	2360.32	1	1											1	Disagree. The 3055 established the same issues addressed in the treatment plan. Progress reports of 1/5/01 & 1/15/01 speak to the same issues, as do the contact notes of 1/4, 1/9, and 1/11/01. Issues are rehabilitative in nature.
31	data redacted	12/01/00	B150	629.24	1	629.24	1	1		1	1								1	Agree related to specific services provided and treatment plan. Disagree related to authorization. While the 3055 was not in the case file, there was an authorization in the DHS system that covered these services/dates. Services were provided and were eligible for payment. Documentation of the authorization is available from DHS.
78	data redacted	12/01/00	B170	2360.32	1	2360.32	1												1	Disagree. Psychosocial Evaluation was found in the providers copy of the client file. It was dated 12/19/2000. However, it was typed and mailed with a March 27, 2001 date. There was also a copy in the Department workers file. It was date stamped as received and filed on April 12, 2001. All other service issues were met with this case audit.
25	data redacted	01/01/01	B170	2956.28	1	2956.28	1	1											1	Agree.
29	data redacted	08/01/00	B170	2956.28	1	2956.28	1												1	Agree.
84	data redacted	01/01/01	B151	629.24	1	629.24	1						1						1	Agree.
35	data redacted	05/01/01	B151	629.24	1	629.24	1	1					1						1	Agree.
38	data redacted	07/01/01	B171	2213.09	1	2213.09	1												1	Agree.
13	data redacted	07/01/01	B171	2213.09	1	2213.09	1												1	Agree.
75	data redacted	10/01/00	B171	2432.01	1	2432.01	1	1											1	Agree.

8	data redacted	04/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
73	data redacted	02/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
56	data redacted	09/01/00	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
48	data redacted	02/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
87	data redacted	07/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
92	data redacted	03/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
91	data redacted	10/01/00	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
69	data redacted	04/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
63	data redacted	02/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
50	data redacted	08/01/01	B170	2128.97	1	2128.97	1	1											1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
100	data redacted	03/01/01	B177	2545.43	1	2545.43	1	1											1	Agree.

21	data redacted	03/01/01	B177	2545.43	1	2545.43	1	1									1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented several times.
52		01/01/01	B177	2545.43	1	2545.43	1	1									1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented.
17	1	05/01/01	B177	2545.43	1	2545.43	1	1									1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented.
65	2	11/01/99	B177	2424.22	1	2424.22	1	1	1	1	1	1					1	Disagree. Appropriate therapy and counseling, skill development and psychosocial evaluation services were documented. A treatment plan dated 11/9/99 was found. The 3055 was in the file. Setting was documented
* Totals:				224,672.86	100	222,202.23	98	28	1	3	4	1	7	10	26			
* Units in error=claims in error						\$79,075.74												
													\$19,557.28	\$59,518.46				
													24.73%	75.27%				

**AUDIT OF TITLE XIX FEDERAL FINANCIAL PARTICIPATION CLAIMED BY
IOWA FOR REHABILITATIVE TREATMENT SERVICES
FAMILY PRESERVATION
AUDIT REPORT CIN: A-07-02-03024
Comments from Iowa Department of Human Services (December 11, 2003)**

ATTACHMENT B

Excerpt from DHS letter to Region VII CMS dated February 5, 2002.

Child Present

Background. CMS policy provides that, "Under the rehabilitation option, meeting, counseling, etc. with the client, family, legal guardian and/or significant other may be covered provided that the services are directed exclusively to the effective treatment of the recipient. Consultation with, and training others, can be a necessary part of planning and providing care to patients in need of psychiatric services . . . State plan amendments must make clear that services are only provided to, or directed exclusively toward, the treatment of Medicaid eligible persons."

Iowa administrative rules for RTS services are consistent with this policy and require that RTS services be either provided directly to the child, or that services "be directed toward the needs of the child." CMS, however, has consistently expressed concerns that RTS services are being provided to "ineligible persons" – i.e., that services are being provided to treat the parent rather than to treat the child. We have requested technical assistance from CMS staff regarding how to address CMS's concerns.

In a March 21, 2001 letter to Thomas Lenz, we indicated that we had decided to begin taking steps to revise our current policy and practice to require that the child always be present in order for a service to be billable to Medicaid. At a subsequent meeting, CMS staff reiterated that such a policy change may not be necessary to address their concern, and indicated that new policy guidance from CMS was forthcoming.

Summary of Friday's call. During our call, we reviewed the history of our discussions on this issue, as well as the ambiguity of the CMS policy governing this issue. We advised that we had reconsidered our March 21, 2001 decision and were no longer moving forward to require that the child always be present in order for a service to be billable to Medicaid.

What we agreed on. You indicated that, pending CMS clarification of this policy, you would not find us out of compliance if the child was not present when services were provided, so long as the documentation indicated that the service was directed towards the treatment of the eligible child.

Follow-up. You indicated that you would follow-up with Baltimore on the status of the forthcoming policy guidance regarding this issue.

Note: The Region VII CMS office has not subsequently contradicted the summary above, nor provided further guidance on this issue.