



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Offices of Audit Services

Region VII
601 East 12th Street
Room 284A
Kansas City, Missouri 64106

January 16, 2009

Report Number: A-07-08-03112

Mr. Eugene I. Gessow
Director
Iowa Department of Human Services
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319-0114

Dear Mr. Gessow:

Enclosed is the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), final report entitled "Iowa Medicaid Payments Claimed for Children's Remedial Services." We will forward a copy of this report to the HHS action official noted on the following page for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to this 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.

Pursuant to the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, OIG reports generally are made available to the public to the extent the information is not subject to exemptions in the Act (45 CFR part 5). Accordingly, this report will be posted on the Internet at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at (816) 426-3591, or contact Greg Tambke, Audit Manager, at (573) 893-8338 or through e-mail at Greg.Tambke@oig.hhs.gov. Please refer to report number A-07-08-03112 in all correspondence.

Sincerely,

A handwritten signature in dark ink, appearing to read "Patrick J. Cogley".

Patrick J. Cogley
Regional Inspector General
for Audit Services

Enclosure

Direct Reply to HHS Action Official:

Ms. Jackie Garner, Consortium Administrator
Consortium for Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**IOWA MEDICAID PAYMENTS
CLAIMED FOR CHILDREN'S
REMEDIAL SERVICES**



Daniel R. Levinson
Inspector General

January 2009
A-07-08-03112

Office of Inspector General

<http://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

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

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare and Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements. In Iowa, the Iowa Department of Human Services (State agency) administers the Medicaid program.

Section 1905(a)(13) of the Social Security Act authorizes State Medicaid agencies to provide rehabilitative services and defines these services as any medical or remedial services recommended by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under State law, for the maximum reduction of physical or mental disability and restoration of an individual to the best possible functional level. The Iowa Administrative Code describes remedial services as health or behavior interventions that are used to modify the psychological, behavioral, emotional, cognitive, and social factors affecting a beneficiary's functioning. Children's remedial services are provided to Medicaid beneficiaries who are aged 20 or under and who have a diagnosed psychological disorder.

In 2001, CMS requested that the Office of Inspector General review Iowa's Rehabilitative Treatment Services Program. We conducted five concurrent reviews of the Rehabilitative Treatment Services Program, which resulted in total questioned costs of approximately \$6.5 million (Federal share). The Rehabilitative Treatment Services Program was phased out in 2006 and succeeded by the Remedial Services Program. On October 1, 2006, the State agency began providing services and claiming costs under the Remedial Services Program. The review of remedial services was conducted as a follow-up to the Rehabilitative Treatment Services reviews.

OBJECTIVE

Our objective was to determine whether Iowa Medicaid payments for children's remedial services provided and paid for the period of February 1, 2007, through March 31, 2008, were allowable pursuant to Federal requirements.

SUMMARY OF FINDINGS

Contrary to Federal requirements, the State agency claimed some unallowable children's remedial services for the period of February 1, 2007, through March 31, 2008. Of the 200 claims in our sample, 194 claims were allowable, and the State agency did not properly claim 6 claims. Specifically, the State agency improperly claimed Federal reimbursement for (a) five claims for which the documentation provided did not describe the nature, extent, or units of service to support that an allowable service had been provided, and for (b) one claim in which the services

provided did not address the beneficiary's physical or mental health. Although the State agency has made significant improvements in its efforts to implement additional controls, these unallowable services were claimed because the State agency did not always have sufficient internal controls to ensure that it properly claimed these services for Federal reimbursement. As a result, the State agency improperly claimed \$2,134 (\$1,317 Federal share) for children's remedial services that did not comply with Federal requirements.

RECOMMENDATIONS

We recommend that the State agency:

- refund \$1,317 (Federal share) to the Federal Government for unallowable children's remedial services, and
- continue to strengthen its internal controls to ensure that children's remedial services claimed for Federal reimbursement are provided in accordance with Federal requirements and are sufficiently documented to support the provision of children's remedial services.

STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, the State agency concurred with our second recommendation and concurred in part with our first recommendation. The State agency concurred with six of the eight claims that we had questioned in our draft report and did not concur with our findings on the remaining two questioned claims.

After reviewing the State agency's written comments and the subsequent documentation it provided, we adjusted our final report to accept the two previously questioned claims with which the State agency had nonconcurred, and to adjust our recommendations accordingly.

The State agency's comments appear in their entirety as Appendix C.

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INTRODUCTION

BACKGROUND

Medicaid Program

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare and Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements. In Iowa, the Iowa Department of Human Services (State agency) administers the Medicaid program.

Remedial Services

Section 1905(a)(13) of the Social Security Act authorizes State Medicaid agencies to provide rehabilitative services and defines these services as any medical or remedial services recommended by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under State law, for the maximum reduction of physical or mental disability and restoration of an individual to the best possible functional level.

Iowa Children's Remedial Services

Remedial services are intended to minimize or eliminate the symptoms or causes of a psychological disorder. The Iowa Administrative Code describes remedial services as health or behavior interventions that are used to modify the psychological, behavioral, emotional, cognitive, and social factors affecting a beneficiary's functioning. Health and behavior interventions are provided to individuals, families, and groups. In addition, crisis intervention services are provided to individuals to reduce situations in which a risk to self, others, or property exists. Children's remedial services are provided to Medicaid beneficiaries who are aged 20 or under and who have a diagnosed psychological disorder.

Previous Office of Inspector General Reviews of the Iowa Rehabilitative Treatment Services Program

In 2001, CMS requested that the Office of Inspector General review Iowa's Rehabilitative Treatment Services Program. We conducted five concurrent reviews of the Rehabilitative Treatment Services Program, reviews which examined group care services, family-centered services, family foster care services, family preservation services, and Rehabilitative Treatment Services claimed under the State Children's Health Insurance Program. The combined questioned costs for the five reviews totaled approximately \$6.5 million (Federal

share).¹ Significant findings in these previous reviews included the fact that providers had furnished services that were not rehabilitative and thus not allowable for Federal reimbursement, and the fact that documentation did not always properly support billed services.

The Rehabilitative Treatment Services Program was phased out in 2006 and succeeded by the Remedial Services Program. On October 1, 2006, the State agency began providing services and claiming costs under the Remedial Services Program. The review of remedial services was conducted as a follow-up to the Rehabilitative Treatment Services reviews.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to determine whether Iowa Medicaid payments for children's remedial services provided and paid for the period of February 1, 2007, through March 31, 2008, were allowable pursuant to Federal requirements.

Scope

We reviewed the State agency's claims for Medicaid reimbursement for children's remedial services for the period of February 1, 2007, through March 31, 2008. The State agency claimed \$34,401,297 for children's remedial services for this period.²

We did not review the State agency's overall internal control structure because our objective did not require us to do so. We limited our internal control review to those controls related directly to the procedures for claiming children's remedial services.

We conducted our fieldwork from July through September 2008 at the State agency and at 33 provider locations throughout Iowa.

Methodology

To accomplish our objective, we:

- reviewed Federal and State laws, regulations, and other requirements regarding Medicaid reimbursement for children's remedial services, as well as the Iowa State Plan;

¹The subjects for the five Rehabilitative Treatment Services Program reviews are as follows: Audit of Medicaid Claims for Iowa's Rehabilitative Treatment Services Group Care Program (A-07-02-03026); Title XIX Financial Participation Claimed for Rehabilitative Treatment Services Family-Centered Services (A-07-02-03023); Title XIX Financial Participation Claimed for Rehabilitative Treatment Services Family Foster Care (A-07-02-03025); Title XIX Financial Participation Claimed for Rehabilitative Treatment Services Family Preservation (A-07-02-03024); and Title XXI Financial Participation Claimed for Rehabilitative Treatment Services State Children's Health Insurance Program (A-07-02-03027).

²Of the total amount claimed, \$3,108,835 represented expenditures claimed for services provided by Lutheran Services in Iowa. The remaining \$31,292,462 represented expenditures claimed for services provided by all other children's remedial service providers in Iowa.

- held discussions with State agency officials to obtain an understanding of procedures for claiming children’s remedial services;
- obtained claims data from the State agency’s Medicaid Management Information System (MMIS) for children’s remedial services provided for the period of February 1, 2007, through March 31, 2008;
- reconciled the MMIS claims data to the State agency’s standard Form CMS-64, “Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program,” submitted for Federal reimbursement for the period of February 1, 2007, through March 31, 2008;
- selected a simple random sample of 200 children’s remedial claims totaling \$29,296;³ and
- obtained and reviewed the supporting documentation for each sampled claim to determine the allowability of the claim.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

FINDINGS AND RECOMMENDATIONS

Contrary to Federal requirements, the State agency claimed some unallowable children’s remedial services for the period of February 1, 2007, through March 31, 2008. Of the 200 claims in our sample, 194 claims were allowable, and the State agency did not properly claim 6 claims. Specifically, the State agency improperly claimed Federal reimbursement for (a) five claims for which the documentation provided did not describe the nature, extent, or units of service to support that an allowable service had been provided, and for (b) one claim in which the services provided did not address the beneficiary’s physical or mental health. Although the State agency has made significant improvements in its efforts to implement additional controls, these unallowable services were claimed because the State agency did not always have sufficient internal controls to ensure that it properly claimed these services for Federal reimbursement. As a result, the State agency improperly claimed \$2,134 (\$1,317 Federal share) for children’s remedial services that did not comply with Federal requirements.

³Our review consisted of two random samples of 100 claims each. For reporting purposes, we combined the results of the two samples. We selected 100 claims, totaling \$10,400, for children’s remedial services provided by Lutheran Services in Iowa. See Appendix A. The other 100 sampled claims, totaling \$18,896, came from all other children’s remedial service providers in Iowa. See Appendix B. The total of our sampled claims was \$29,296.

UNALLOWABLE CHILDREN'S REMEDIAL SERVICES

Insufficient Documentation

The CMS "State Medicaid Manual," section 2500.2(A), requires that the State agency:

Report only expenditures for which all supporting documentation, in readily reviewable form, has been compiled and which is immediately available when the claim is filed. Your supporting documentation includes as a minimum the following: date of service, name of recipient, Medicaid identification number, name of provider agency and person providing the service, nature, extent, or units of service, and the place of service. [Emphasis added.]

Contrary to these provisions of the CMS "State Medicaid Manual," the State agency did not properly claim 5 of the 200 children's remedial services claims reviewed. For these five claims, the case files did not document the nature, the extent, or the units of service to support that an allowable service had been provided. Examples of insufficiently documented and therefore unallowable claims included the absence of case note documentation to support billed services, services that were billed when the beneficiary was not present at the provider's facility, and claims for an overlapping service (e.g. an individual service billed at the same time as a group service).

Non-Medical Services

The CMS "State Medicaid Manual," section 4385(B), requires that remedial services:

- involve direct patient care; and
- are for the express purpose of diagnosing, treating or preventing (or minimizing the adverse effects of) illness, injury or other impairments to an individual's physical or mental health.

In order for a service to be covered, it must meet both of these elements. Therefore, preventive services that involve no direct patient care, such as services applied at the community level, or environmental services dealing exclusively with an individual's surroundings rather than the individual, are not covered.

Contrary to these provisions of the CMS "State Medicaid Manual," the State agency did not properly claim 1 of the 200 children's remedial services claims reviewed. For this claim, the services provided did not address the beneficiary's physical or mental health, as mandated by Federal requirements. The services provided consisted of the provider instructing the beneficiary to complete chores and prepare for a meal. In addition, we found case note documentation that included the provider's observations of the beneficiary playing basketball and dodgeball. These interactions between the provider and the beneficiary constituted non-medical services rather than direct patient care or diagnosis and treatment, and were consequently not allowable for Federal reimbursement.

NEED FOR CONTINUED STRENGTHENING OF INTERNAL CONTROLS

In the time period since our reviews of the Iowa Rehabilitative Treatment Services Program (the predecessor to this program), the State agency has made significant improvements in its efforts to implement additional controls, to include educating children's remedial service providers as to the requirements for adequate documentation of services rendered. However, the fact that the State agency did not always properly claim children's remedial services for Federal reimbursement points to the need for continued strengthening of internal controls. Specifically, the State agency did not always exercise sufficient oversight of the documentation as to support the provision of services and to ensure that the services were provided in accordance with Federal requirements.

RECOMMENDATIONS

We recommend that the State agency:

- refund \$1,317 (Federal share) to the Federal Government for unallowable children's remedial services, and
- continue to strengthen its internal controls to ensure that children's remedial services claimed for Federal reimbursement are provided in accordance with Federal requirements and are sufficiently documented to support the provision of children's remedial services.

STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, the State agency concurred with our second recommendation and concurred in part with our first recommendation. The State agency concurred with six of the eight claims that we had questioned in our draft report and did not concur with our findings as to insufficient documentation on the remaining two questioned claims.

After reviewing the State agency's written comments and the subsequent documentation it provided, we adjusted our final report to accept the two previously questioned claims with which the State agency had nonconcurred, and to adjust our recommendations accordingly.

The State agency's comments appear in their entirety as Appendix C.

APPENDIXES

**SAMPLING METHODOLOGY FOR
CLAIMS FROM LUTHERAN SERVICES IN IOWA**

POPULATION

The population consisted of 46,542 claims representing children's remedial services provided by Lutheran Services in Iowa, totaling \$3,108,835 for claims provided and paid for the period of February 1, 2007, through March 31, 2008.¹

SAMPLING FRAME

The sampling frame is a database of claim records consisting of 46,542 claims totaling \$3,108,835 for children's remedial services provided and paid for the period of February 1, 2007, through March 31, 2008.

SAMPLE UNIT

The sampling unit is one beneficiary claim.

SAMPLE DESIGN

We used a random number generator to develop a simple random sample, selected from all claims for the Iowa children's remedial services provided by Lutheran Services in Iowa.

SAMPLE SIZE

We selected 100 sample units (beneficiary claims) for review.

SOURCE OF THE RANDOM NUMBERS

We used the Office of Inspector General, Office of Audit Services, statistical software RAT-STATS to generate random numbers.

METHOD OF SELECTING SAMPLE ITEMS

We combined the children's remedial service claims for Lutheran Services in Iowa into one database table and sorted them by paid date, reimbursement amount, and beneficiary Medicaid identification number. Each sampling unit was assigned a sequential number, which resulted in a total count of 46,542 in the population. Random numbers were generated based on the total count and matched to the corresponding sample unit number.

¹Due to the low number of errors and the corresponding low statistical precision, we did not use a projection for this report.

**SAMPLING METHODOLOGY FOR
CLAIMS FROM OTHER REMEDIAL SERVICE PROVIDERS IN IOWA**

POPULATION

The population consisted of 139,084 claims representing children's remedial services provided by all other providers (less Lutheran Services in Iowa) in the State of Iowa, totaling \$31,292,462 for claims provided and paid for the period of February 1, 2007, through March 31, 2008.¹

SAMPLING FRAME

The sampling frame is a database of claim records consisting of 139,084 claims totaling \$31,292,462 for children's remedial services provided and paid for the period of February 1, 2007, through March 31, 2008.

SAMPLE UNIT

The sampling unit was one beneficiary claim.

SAMPLE DESIGN

We used a random number generator to develop a simple random sample from all claims for children's remedial services provided by all other providers (less Lutheran Services in Iowa) in the State of Iowa.

SAMPLE SIZE

We selected 100 sample units (beneficiary claims) for review.

SOURCE OF THE RANDOM NUMBERS

We used the Office of Inspector General, Office of Audit Services, statistical software RAT-STATS to generate random numbers.

METHOD OF SELECTING SAMPLE ITEMS

We combined the children's remedial service claims for all other providers (less Lutheran Services in Iowa) in the State of Iowa into one database table and sorted them by paid date, reimbursement amount, and beneficiary Medicaid identification number. Each sampling unit was assigned a sequential number, which resulted in a total count of 139,084 in the population. Random numbers were generated based on the total count and matched to the corresponding sample unit number.

¹Due to the low number of errors and the corresponding low statistical precision, we did not use a projection for this report.



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEC 17 2008

DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

Patrick J. Cogley
Regional Inspector General for Audit Services
Office of Inspector General
Region VII
601 East 12th Street
Room 284A
Kansas City, MO 64106

RE: Iowa Medicaid Payments for Claimed for Children's Remedial Services:
Report Number: A-07-08-03112

Dear Mr. Cogley:

Enclosed please find comments from the Iowa Department of Human Services (DHS) on the Office of Inspector General's (OIG) November 2008 draft report entitled: Iowa's Medicaid Payments Claimed for Children's Remedial Services.

DHS appreciates your consideration of our written comments and the additional submitted information. We welcome the opportunity to work with OIG to resolve any areas of disagreement or other concerns before the final report is issued.

Questions about the attached response can be addressed to:

Ken Tigges
Division of Fiscal Management
Iowa Department of Human Services
Hoover State Office Building, 5th Floor
Des Moines, IA 50319-0114
Phone: 515-281-6027

We understand that this response will be summarized in the body of the final report and it will be included in its entirety as an appendix.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene I. Gessow".

Eugene I. Gessow
Director

cc: Dustin Litwiler, OIG

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**IOWA DEPARTMENT OF HUMAN SERVICES (DHS) RESPONSE TO
REPORT NUMBER: A-07-08-03112
IOWA MEDICAID PAYMENTS FOR CHILDREN'S REMEDIAL SERVICES (DRAFT)**

General Comments

On November 18, 2008 the Office of Inspector General (OIG) provided the Iowa DHS with a draft report of the review findings and recommendations. The review covers the period of February 1, 2007 through March 31, 2008.

It is important to consider the results of this review in a historical context. In 2001, OIG reviewed Iowa's Rehabilitative Treatment Services (RTS) programs and identified significant findings. To address the concerns expressed in prior OIG reviews and to more fully comply with the Centers for Medicare and Medicaid Services (CMS) guidance; effective in 2006, the RTS programs were phased out and Iowa's Remedial Services Program was developed.

On October 1, 2006, DHS began providing services and claiming costs under the Remedial Services Program. As part of implementation, the Iowa Administrative Code was revised to clarify and list the requirements of the Remedial Services Program, consistent with CMS guidance. For example, licensed mental health practitioners under the Iowa Plan are required to provide the assessment and order for services. The order (i.e., service authorization) and plan to implement the order are reviewed during the authorization process. Additionally, DHS has implemented technical assistance activities for providers and post-pay review activities. Remedial Service Program enhancements have resulted in improved program quality.

The comments that follow include a statement of concurrence or nonconcurrence with each OIG draft report finding and recommendation. For areas where DHS determines nonconcurrence, the specific reasons are stated in the body of this document and are detailed in Attachment 1. For each concurrence, the specific reasons for DHS concurrence and applicable corrective actions are stated in the body of this document with additional detail in Attachment 2.

Unallowable Children's Remedial Services Findings

Insufficient Documentation

Per the CMS State Medicaid Manual, section 2500.2(a):

Your supporting documentation includes as a minimum the following:

- Date of service
- Name of recipient
- Medicaid identification number
- Name of provider agency and person providing the service
- Nature, extent, or units of service and the
- Place of service.

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The draft OIG report found that seven of the 200 sampled claims reviewed did not have sufficient documentation, as required.

Statement of concurrence or nonconcurrence: The Iowa Department of Human Services concurs in part with the findings of the OIG. For all OIG sampled claims, we reviewed the case record documentation for each claim. We concur that five of the sampled claims should be disallowed for insufficient documentation. (See Attachment 2 for details.) However, we found the remaining two sampled claims meet the documentation requirements and refer to goals in the child's authorization order and implementation plan. (See Attachment 1 for details.)

Non-Medical Services

The CMS State Medicaid Manual, section 4385(B), requires that remedial services:

- Involve direct patient care; and
- Are for the express(ed) purpose of diagnosing, treating, or preventing (or minimizing the adverse effects of) illness, injury or other impairments to an individual's physical or mental health

In order for a service to be covered, it must meet both of these elements. Therefore, preventive services that involve no direct patient care, such as services applied at a community level, or environmental services dealing exclusively with an individual's surroundings rather than the individual, are not covered.

The draft OIG report found that one of the 200 sampled claims reviewed did not address the beneficiary's physical or mental health and did not document that a medical service was provided.

Statement of concurrence or nonconcurrence: The Iowa Department of Human Services concurs with this OIG finding that one sampled claim did not address the beneficiary's physical or mental health and did not clearly identify that a medical service was provided.

OIG Draft Report Recommendations

1. *OIG Recommendation:* That the State agency refund \$1,514 (Federal share) to the Federal Government for unallowable children's remedial services

Response: We concur in part to the recommendation, which is based on OIG finding that eight of 200 sampled claims were unallowable. For two of the eight sampled claims, we respectfully ask that OIG reconsider its conclusion and reduce the recommended disallowance accordingly. Attachment 1 of this letter contains the additional information that supports our position that these two sampled claims, totaling 16 units of service, are allowable claims under children's remedial services.

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2. *OIG Recommendation:* That the State agency continue to strengthen its internal controls to ensure that children's remedial services claimed for Federal reimbursement are provided in accordance with Federal requirements and are sufficiently documented to support the provision of children's remedial services.

Response: We concur with the recommendation. We appreciate OIG's draft report comment that Iowa has made significant improvements in its efforts to implement additional controls. Since the beginning of the remedial program, DHS has had a process to identify a random sample of claims from each remedial provider and review the provider's documentation (progress notes) for compliance with program rules. The process was educational during the program's implementation. This fall, we changed the process; issues now result in findings of overpayments with subsequent recoupment of funds. We believe this specialized review will ensure high program compliance. In addition, the IME is requiring remedial providers to participate in the quality assurance program designed for our 1915© waivers. Our two-pronged approach of auditing samples of claims for each provider and addressing provider overall quality through the self-assessment process will maximize internal control.

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Attachment 1

**IOWA DOES NOT CONCUR WITH THE OIG FINDINGS
FOR THE FOLLOWING SAMPLED CLAIM:****1. Sample S65:**

- Agency providing service: Lutheran Services in Iowa
- OIG conclusion -- There are case notes to support the 8 units that were billed and paid, however the treatment plan, Remedial Services Implementation plan and the Service authorization provided all expired in 05/2007. There is nothing in the file to support the service date of 9/19/07.
- DHS information -- Though the provider had the required authorization and treatment plan documents, they were not filed in the client case record prior to the OIG review. DHS has obtained copies of the applicable treatment plan, Remedial Services Implementation plan and the Service authorization. These scanned documents, which contain confidential client information, have been provided to OIG auditors in the Des Moines office to verify that the full claim for Lutheran Sample #65 is allowable.

2. Sample S11:

- Agency providing service: Sequel Care of Iowa
- OIG conclusion -- This was billed as an individual session, but the services provided were not focused on the specific individual's needs. The service included the whole family and did not include assessing the specific children's needs but focused on the family in general. We will question the 8 units based on the fact that it was not allowable as an individual service, but note that it would possible by covered as a family service.
- DHS information -- DHS concurs that the 8 units are for family services. The services provided are allowable under Medicaid remedial services as family units. The provider will be contacted and directed to submit an adjustment to this claim to reflect provision of family units not individual units.

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Attachment 2

**IOWA CONCURS WITH THE OIG FINDINGS FOR
THE FOLLOWING SAMPLED CLAIMS:**

1. **Sample S43:** The record includes the following:
 - Agency providing service: Lutheran Services in Iowa
 - Date of service: August 2007
 - The agency has been directed to adjust the claim and submit for the correct number of units and time frame.

2. **Sample S56:** The record includes the following:
 - Agency providing service: Youth Homes of Mid America
 - Date of service: November 2007
 - Technical assistance has been provided to the agency and their current method of documenting services has been modified to eliminate reference to non-medical services. They will be directed to submit a claim adjustment.

3. **Sample S69:** The record includes the following:
 - Agency providing service: Clarinda Youth Corporation
 - Date of service: February 2007
 - The agency billed for a date of service that was not provided. They will be directed to submit a claim adjustment.

4. **Sample S94:** The record includes the following:
 - Agency providing service: Family Solutions Services Inc
 - Date of service: February 2007
 - The original documentation was stored on a flash drive that was destroyed. The agency has implemented a back up system for all records and documentation to prevent this from occurring in the future. They will be directed to submit a claim adjustment.

5. **Sample S95:** The record includes the following:
 - Agency providing service: Rescare
 - Date of service: January 2008
 - The agency did not submit a correct number of units. They will be directed to submit a claim adjustment.

6. **Sample S96:** The record includes the following:
 - Agency providing service: Families First Counseling Services of Iowa
 - Date of service: May 2007
 - The agency did not submit a correct number of units. They will be directed to submit a claim adjustment.