

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**CEDAR RIDGE DID NOT ALWAYS
PROVIDE THE REQUIRED TREATMENT
AND THERAPY HOURS FOR RESIDENTIAL
TREATMENT AND ACUTE CARE**

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**Patricia Wheeler
Regional Inspector General
for Audit Services**

**April 2015
A-06-14-00029**

Office of Inspector General

<http://oig.hhs.gov>

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EXECUTIVE SUMMARY

Cedar Ridge did not provide the required weekly number of treatment and therapy hours to Medicaid beneficiaries or document the provided hours in accordance with the Oklahoma Administrative Code.

WHY WE DID THIS REVIEW

The Medicaid program allows States the option of covering inpatient psychiatric hospital services for individuals under 21 years old. Previous Office of Inspector General work in the Medicaid program found that an Oklahoma inpatient behavioral health facility did not always provide the required treatment and therapy hours (service hours). Using Oklahoma Medicaid reimbursements, we selected Universal Health Services of Oklahoma City, LLC (Cedar Ridge), because it is one of the largest providers of inpatient behavioral health services.

The objectives of this review were to determine whether Cedar Ridge (1) provided the required weekly number of service hours to Medicaid beneficiaries under age 18 from October 1, 2012, through September 30, 2013, and (2) followed documentation requirements for service hours in accordance with the Oklahoma Administrative Code.

BACKGROUND

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. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements. In Oklahoma, the Oklahoma Health Care Authority (State agency) is responsible for administering the Medicaid program.

Inpatient behavioral health programs offer residential treatment and acute care. At the time of our audit, Oklahoma required a minimum of 21 service hours weekly for residential treatment and a minimum of 24 service hours weekly for acute care. Types of service hours provided for both residential treatment and acute care include individual therapy, family therapy, process group therapy, expressive group therapy, and group rehabilitative treatment. In partnership with the Oklahoma Department of Mental Health and Substance Abuse Services, the State agency coordinates, develops, and implements behavioral health policy. The State agency pays certain behavioral health stays at per diem rates.

The State agency conducts annual Inspection of Care reviews for each behavioral health facility. The reviews include determining how many service hours a beneficiary received and whether the services were properly documented. For each missing service hour the Inspection of Care team notes, the Oklahoma Administrative Code allows for a partial per diem recoupment of \$50. Cedar Ridge is a psychiatric facility located in Oklahoma City, Oklahoma, that provides residential treatment and acute-care services.

HOW WE CONDUCTED THIS REVIEW

Cedar Ridge received \$5,020,615 for 2,131 beneficiary-weeks of residential treatment and \$150,555 for 36 beneficiary-weeks of acute care provided to Medicaid beneficiaries under the age of 18 during our audit period. We reviewed medical files and personnel information from Cedar Ridge to determine how many service hours were provided for 100 randomly selected residential treatment sample beneficiary-weeks and all 36 acute-care beneficiary-weeks.

WHAT WE FOUND

Cedar Ridge did not always provide the required weekly minimum number of service hours to Medicaid beneficiaries. Based on our sample results, we estimate that Cedar Ridge provided less than the required minimum 21 service hours for residential treatment beneficiary-weeks in our audit period by at least 10,252 service hours. On the basis of the partial per diem recoupment rate of \$50 allowed by the Oklahoma Administrative Code for each missing service hour, we estimate a total of \$512,600 in partial per diem recoupments. Cedar Ridge provided 199 hours and 25 minutes less than the required weekly minimum service hours for 35 of the 36 acute-care treatment beneficiary-weeks, totaling \$9,971 in partial per diem recoupments.

Additionally, Cedar Ridge did not always follow documentation requirements for service hours in accordance with the Oklahoma Administrative Code. Cedar Ridge did not have a comprehensive process in place to monitor whether a beneficiary's weekly treatment and therapy needs were met and properly documented.

RECOMMENDATIONS

We recommend that Cedar Ridge:

- refund \$522,571 to the State agency and
- establish effective policies and procedures regarding the monitoring and documentation of service hours.

CEDAR RIDGE COMMENTS AND OUR RESPONSE

In written comments on our draft report, Cedar Ridge, through its attorneys, disagreed with our findings and recommendations. After reviewing the information provided in Cedar Ridge's written comments, we maintain that our findings and recommendations are valid.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency agreed with our findings.

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INTRODUCTION

WHY WE DID THIS REVIEW

The Medicaid program allows States the option of covering inpatient psychiatric hospital services for individuals under 21 years old. Previous Office of Inspector General (OIG) work in the Medicaid program found that an Oklahoma inpatient behavioral health facility did not always provide the required treatment and therapy hours (service hours). Using Oklahoma Medicaid reimbursements, we selected Universal Health Services of Oklahoma City, LLC (Cedar Ridge), because it is one of the largest providers of inpatient behavioral health services.

OBJECTIVES

Our objectives were to determine whether Cedar Ridge (1) provided the required weekly number of service hours to Medicaid beneficiaries under age 18 from October 1, 2012, through September 30, 2013, and (2) followed documentation requirements for service hours in accordance with the Oklahoma Administrative Code.

BACKGROUND

Medicaid Program

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 & 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 Oklahoma, the Oklahoma Health Care Authority (State agency) is responsible for administering the Medicaid program.

Behavioral Health

Inpatient behavioral health programs offer residential treatment and acute care 24 hours a day. Residential treatment is psychiatric services designed to serve those in need of longer term, more intensive treatment and a more highly structured environment than they can receive in family- and other community-based alternatives. Acute care is delivered in a psychiatric unit that provides assessment, medical management and monitoring, and short-term intensive treatment and stabilization to individuals experiencing acute episodes of behavioral health disorders. At the time of our audit, Oklahoma required a minimum of 21 service hours weekly for residential treatment and a minimum of 24 service hours weekly for acute care. Types of service hours provided for both residential treatment and acute care include:

- individual therapy – one-on-one, face-to-face contact with a licensed behavioral health professional (LBHP);

- family therapy – interaction among an LBHP, the beneficiary, and a family member to promote successful communication and understanding;
- process group therapy – interaction among an LBHP and two or more beneficiaries to promote positive emotional change, behavioral change, or both;
- expressive group therapy – art, music, recreational, or occupational therapies that encourage the beneficiary to express himself or herself emotionally and psychologically; and
- group rehabilitative treatment – behavioral health remedial services that increase the skills necessary to perform daily living activities.

Oklahoma Health Care Authority

In partnership with the Oklahoma Department of Mental Health and Substance Abuse Services, the State agency coordinates, develops, and implements behavioral health policy. The State agency pays certain behavioral health stays at per diem rates. The rate for acute care is higher than the rate for residential treatment.

The State agency conducts annual Inspection of Care reviews for each behavioral health facility to ensure that beneficiaries are safe and that they receive quality services that are medically necessary. The reviews include determining how many service hours a beneficiary received and whether the services were properly documented. For each missing service hour the Inspection of Care team notes, the Oklahoma Administrative Code allows for a partial per diem recoupment of \$50. More significant deficiencies, which the Inspection of Care team considers critical to the integrity of care and treatment, result in full per diem recoupments.

Cedar Ridge

Cedar Ridge is a psychiatric facility located in Oklahoma City, Oklahoma, that provides residential treatment and acute-care services. Cedar Ridge has 56 residential treatment beds and 24 acute-care beds for children and adolescents between the ages of 6 and 18. The treatment program provides a structured environment, and residents are placed in specific units based on age, gender, and diagnosis. Cedar Ridge is a subsidiary of Universal Health Services, Inc., which is one of the largest behavioral health providers in the United States.

HOW WE CONDUCTED THIS REVIEW

During our audit period, Cedar Ridge received \$5,020,615 for 2,131 beneficiary-weeks of residential treatment and \$150,555 for 36 beneficiary-weeks of acute care provided to Medicaid beneficiaries under the age of 18.¹ We reviewed medical files and personnel information (e.g., to determine whether a provider was qualified to provide the service) from Cedar Ridge to

¹ A beneficiary-week is a 7-day span of residential treatment or acute-care behavioral health services.

determine how many service hours were provided for 100 randomly selected residential treatment sample beneficiary-weeks and all 36 acute-care beneficiary-weeks.

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 objectives.

Appendix A contains the details of our audit scope and methodology, Appendix B describes our statistical sampling methodology, and Appendix C contains our sample results and estimates.

FINDINGS

Cedar Ridge did not always provide the required weekly minimum number of service hours to Medicaid beneficiaries. On the basis of our sample results, we estimate that Cedar Ridge provided less than the required minimum 21 service hours for residential treatment beneficiary-weeks in our audit period by at least 10,252 service hours. Based on the partial per diem recoupment rate of \$50 allowed by the Oklahoma Administrative Code for each missing service hour, we estimate a total of \$512,600 in partial per diem recoupments. Cedar Ridge provided 199 hours and 25 minutes less than the required weekly minimum service hours for 35 of the 36 acute-care treatment beneficiary-weeks, totaling \$9,971 in partial per diem recoupments.

Additionally, Cedar Ridge did not always follow documentation requirements for service hours in accordance with the Oklahoma Administrative Code. Cedar Ridge did not have a comprehensive process in place to monitor whether a beneficiary’s weekly treatment and therapy needs were met and properly documented.

CEDAR RIDGE DID NOT ALWAYS PROVIDE THE REQUIRED SERVICE HOURS

The Oklahoma Administrative Code outlines the minimum standards of treatment and therapy services for both residential treatment and acute care (§ 317:30-5-95.34). The table below shows the minimum service hours required per type of treatment and therapy for residential treatment and acute care.

Minimum Hours Required Weekly Per Treatment and Therapy Type

	Individual Therapy Hours	Family Therapy Hours	Process Group Therapy Hours	Expressive Group Therapy Hours	Group Rehabilitative Treatment Hours	Total Minimum Hours Required
Residential Treatment	1	1	2	3	14	21
Acute Care	2	1	3	4	14	24

Individual therapy and family therapy can be substituted 1 for 1, and process group therapy and expressive group therapy can be substituted 1 for 1.

Cedar Ridge did not provide the required weekly minimum of 21 service hours for 98 of the 100 sampled residential treatment beneficiary-weeks. Specifically, Cedar Ridge did not provide 530 hours and 36 minutes of the required 2,100 service hours.² On average, Cedar Ridge provided 5 hours and 19 minutes less than the required weekly minimum of 21 hours for the 100 residential treatment beneficiary-weeks in our sample. The deficient time for a residential treatment beneficiary-week ranged from 45 minutes to 17 hours.

Using our sample results, we estimate that 2,002 of the 2,131 residential treatment beneficiary-weeks did not meet the minimum weekly requirements and that Cedar Ridge did not provide at least 10,252 of the 44,751 required service hours.³ Multiplying the \$50 partial per diem recoupment by the number of missing hours totals \$512,600.

For 35 of the 36 acute-care beneficiary-weeks, Cedar Ridge did not provide 199 hours and 25 minutes of the required 864 service hours.⁴ Cedar Ridge provided an average of 5 hours and 42 minutes less than the required weekly minimum of 24 service hours for 35 of the 36 acute-care beneficiary-weeks. The deficient time for an acute care beneficiary-week ranged from 45 minutes to 19.5 hours. Multiplying the \$50 partial per diem recoupment by the number of missing hours totals \$9,971.

The medical files for the sampled beneficiaries were missing documentation of service hours, or the documentation did not include enough information to show that a service hour actually was provided. Additionally, there were instances in which the documentation showed that a beneficiary had attended two or more separate sessions at once. Cedar Ridge did not have a comprehensive process in place to monitor whether a beneficiary's weekly treatment and therapy needs were met and properly documented.

CEDAR RIDGE DID NOT ALWAYS APPROPRIATELY DOCUMENT SERVICE HOURS

The Oklahoma Administrative Code requires documentation of treatment and therapy sessions to include, at a minimum, the date, start and stop time for each session, signature of the staff member who provided the service, credentials of the therapist, specific problem addressed, method used to address the problem, progress made toward goals, beneficiary's response to the treatment and therapy session, and any new problem identified during the session (§ 317:30-5-95.41).

²For residential treatment, at least 21 service hours were required weekly; therefore, Cedar Ridge should have provided at least 2,100 service hours for our 100 beneficiary-week sample.

³For 2,131 residential treatment beneficiary-weeks, which required at least 21 service hours each, the total required service hours is 44,751.

⁴For acute care, at least 24 service hours were required weekly; therefore, Cedar Ridge should have provided at least 864 service hours for the 36 beneficiary-weeks.

Cedar Ridge's documentation of service hours did not always comply with requirements outlined in the Oklahoma Administrative Code. For service hours provided in 99 of the 100 selected residential treatment beneficiary-weeks and 35 of the 36 acute-care beneficiary-weeks, the documentation did not always include the credentials of the service provider, progress toward goals, the beneficiary's response, a stop time, or a specific problem addressed.

Using other elements of the treatment and therapy documentation or other facility records, we were able to determine the treatment and therapy sessions that were provided. Therefore, these sessions were not considered as missing service hours in our analysis. For example, although the Oklahoma Administrative Code requires that the credentials of the therapist who provided the service hour be documented along with the therapist's signature, when the credentials were missing, we were able to determine whether a qualified individual provided the service hour using personnel information. Cedar Ridge did not always document these services properly because of a lack of a comprehensive process to monitor service hours.

RECOMMENDATIONS

We recommend that Cedar Ridge:

- refund \$522,571 to the State agency and
- establish effective policies and procedures regarding the monitoring and documentation of service hours.

CEDAR RIDGE COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, Cedar Ridge, through its attorneys, disagreed with our findings and recommendations. Below is a summary of Cedar Ridge's comments as well as our response to those comments. Cedar Ridge made additional comments that were editorial or technical in nature and therefore not summarized. Cedar Ridge's comments are included as Appendix D.

After reviewing the information provided in Cedar Ridge's written comments, we maintain that our findings and recommendations are valid. In addition, we did not make any of the editorial changes requested by Cedar Ridge.

Services Not Provided

Cedar Ridge disagreed that it did not always provide the required treatment and therapy services and indicated that, even though documentation was missing, it does not mean that a service hour was not provided. In addition, Cedar Ridge disagreed that there were two separate findings and asserted that there was only one finding: that the documentation did not always accurately describe or sufficiently document the number of service hours required.

Section 317:30-3-15 of the Oklahoma Administrative Code states that records must contain adequate documentation of services, and section 317:30-5-95.41 outlines documentation

requirements for records of children’s behavioral health services. For our first finding, we focused on whether there was enough evidence in the medical files to establish that Cedar Ridge actually provided a service hour, regardless of whether the service hour documentation contained all of the requirements outlined in the Oklahoma Administrative Code. Our second finding was designed to let Cedar Ridge know whether its documentation met all the requirements outlined in the Oklahoma Administrative Code for service hours it provided.

Beneficiary-Week

Cedar Ridge asserted that the OIG audit was based on a beneficiary-week that started on any day of the week and ended 6 days later and that, in many of the acute-care cases, the beneficiary-week was not Sunday to Saturday. Also, Cedar Ridge indicated that we did not allow the facility to prorate service hours for partial weeks. In addition, Cedar Ridge noted that the State agency revised its regulations, decreasing the number of service hours required in a beneficiary-week.

In accordance with the Oklahoma Administrative Code, we considered a residential treatment beneficiary-week to be a 7-day span starting on Sunday and ending on Saturday, and we considered an acute-care beneficiary-week to be a 7-day span starting on the day of admittance. Any regulations related to partial weeks were not applicable because such weeks were not part of the scope of this audit. Each beneficiary-week was a full 7-day span. The change in the regulations noted by Cedar Ridge was after our audit period and therefore is not applicable to our selected beneficiary-weeks.

Statistical Sampling

Cedar Ridge expressed concerns that statistical sampling may not be accurate. Also, Cedar Ridge requested additional information described on Exhibit A regarding OIG sampling practices and patient information.

Federal courts have established the use of statistical sampling and estimation as a viable audit technique and have consistently upheld sampling and estimation as valid.⁵ We removed the exhibit from the comments included in Appendix D and are working separately to fulfil the request.

Comprehensive Monitoring Process

Cedar Ridge disagreed with the statement that it did not have a comprehensive process in place to monitor whether a beneficiary’s weekly treatment and therapy needs were met and properly documented.

During our audit period, Cedar Ridge was not reviewing the service hours for all beneficiaries. In a discussion with Cedar Ridge officials, we were told that the reviews performed were monthly checks for a specific element in approximately 30 patient charts and did not necessarily

⁵ *Chaves County Home Health Service, Inc., v. Sullivan*, 931 F.2d 914 (D.C. Cir. 1991); *Anghel v. Sebelius*, 912 F. Supp. 2d 4 (E.D.N.Y. 2012); *Miniet v. Sebelius*, 2012 U.S. Dist. LEXIS 99517 (S.D. Fla. 2012); *Bend v. Sebelius*, 2010 U.S. Dist. LEXIS 127673 (C.D. Cal. 2010).

include the number of service hours each child received. Additionally, during the audit, Cedar Ridge took corrective action related to the monitoring of service hours and employed an additional review coordinator. Therefore, we maintain that the monitoring process was not comprehensive.

Deficient Time Range

Cedar Ridge disagreed with our statement that the deficient time for residential treatment beneficiary-week ranged from 45 minutes to 17 hours. Cedar Ridge stated that facilities are allowed to make up treatment and therapy sessions later in the week.

We counted any such make-up session as allowable service hours during our review, and our range accurately reflects any such sessions.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency agreed with our findings.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

During our audit period, Cedar Ridge received \$5,020,615 for 2,131 beneficiary-weeks of residential treatment and \$150,555 for 36 beneficiary-weeks of acute care provided to Medicaid beneficiaries under the age of 18. We reviewed medical files and personnel information from Cedar Ridge to determine how many service hours were provided for 100 randomly selected residential treatment sample beneficiary-weeks and all 36 acute-care treatment beneficiary-weeks.

We limited our review of supporting documentation to treatment and therapy documentation and personnel information provided by Cedar Ridge. Our objectives did not require a review of all internal controls related to the submission and processing of claims.

We conducted our fieldwork from May through September 2014 at Cedar Ridge in Oklahoma City, Oklahoma.

METHODOLOGY

To accomplish our objectives, we:

- reviewed applicable Federal and State laws, regulations, and guidance;
- interviewed State agency and Oklahoma Department of Mental Health and Substance Abuse Services officials;
- analyzed claims paid by the State agency to Cedar Ridge for the period October 1, 2012, through September 30, 2013, isolating full weeks of service for residential treatment and acute care for beneficiaries under age 18;
- created a sampling frame of 2,131 beneficiary-weeks of residential treatment and randomly selected a sample of 100;
- reviewed Cedar Ridge's procedures for providing and documenting service hours;
- reviewed medical files of the 100 sampled residential treatment beneficiary-weeks and 36 acute-care beneficiary-weeks;
- recorded and analyzed service hours attended by the beneficiary within the selected week and reviewed service hour documentation for the required elements;
- reviewed personnel information to ensure that service providers were appropriately credentialed;
- estimated the number of deficient service hours for the residential treatment sample;

- multiplied the number of estimated deficient residential treatment hours and deficient acute-care hours by the \$50 partial per diem recoupment allowed for in the Oklahoma Administrative Code; and
- discussed the results of our review with Cedar Ridge and State agency officials.

See Appendix B for the details of our statistical sampling methodology and Appendix C for our sample results and estimates.

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 objectives.

APPENDIX B: STATISTICAL SAMPLING METHODOLOGY

POPULATION

The population consisted of Medicaid claims for residential treatment for beneficiaries under age 18 and that had dates of service between October 1, 2012, and September 30, 2013.

SAMPLING FRAME

The Oklahoma Health Care Authority provided a spreadsheet data file for behavioral health Medicaid claims paid to Cedar Ridge for residential treatment.

The data contained 3,204 claims totaling \$6,325,777 in Medicaid payments. We removed from the data set any claims associated with beneficiaries age 18 and over and payment amounts that did not match the residential care per diem amount. We combined the claims for each beneficiary under the age of 18 to identify consecutive days of service and grouped the days of service into weeks, using a Sunday as the first paid date of service in accordance with the Oklahoma Administrative Code. We then removed partial weeks of service. For example, a beneficiary stay starting on a Sunday and lasting for 17 days would result in 2 beneficiary-weeks because the last 3 days constituted a partial week. We removed weeks related to certain beneficiaries previously reviewed by the Oklahoma Health Care Authority. After those analyses, we had 2,131 complete beneficiary-weeks totaling \$5,020,615 in Medicaid payments.

SAMPLE UNIT

The sample unit was a beneficiary-week, which was a 7-day span of residential behavioral health services starting on a Sunday.

SAMPLE DESIGN

We used a simple random sample.

SAMPLE SIZE

We selected a sample of 100 beneficiary-weeks.

SOURCE OF RANDOM NUMBERS

We used the OIG, Office of Audit Services (OAS), statistical software to generate the random numbers.

METHOD OF SELECTING SAMPLE UNITS

We consecutively numbered the sample units in the frame from 1 to 2,131. After generating 100 random numbers, we selected the corresponding frame items.

ESTIMATION METHODOLOGY

We used the OIG/OAS statistical software to estimate the number of deficient service hours. In addition, we used the software to estimate how many beneficiary-weeks were not in compliance with the Oklahoma Administrative Code residential care minimum required service hours.

APPENDIX C: SAMPLE RESULTS AND ESTIMATES

Residential Treatment Deficient Service Hour Sample Results

Frame Size	Number of Minimum Required Hours in Frame	Sample Size	Number of Minimum Required Hours in Sample	Number of Beneficiary-Weeks With Deficient Hours	Number of Deficient Hours
2,131	44,751	100	2,100	98	530.60

Residential Treatment Estimates of Deficient Service Hours
(Limits Calculated for a 90-Percent Confidence Interval)

Point estimate	11,307
Lower limit	10,252
Upper limit	12,362

Estimates of Residential Treatment Beneficiary-Weeks With Deficient Service Hours
(Limits Calculated for a 90-Percent Confidence Interval)

Point estimate	2,088
Lower limit	2,002
Upper limit	2,123

APPENDIX D: CEDAR RIDGE COMMENTS



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January 20, 2015

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Re: **A-06-12-00029**
Cedar Ridge

Dear Ms. Wheeler and Mr. Lundy:

Our firm represents Universal Health Services of Oklahoma City, LLC d/b/a Cedar Ridge Behavioral Health Services (“Cedar Ridge”). This letter provides Cedar Ridge’s response to your findings and written comments to your draft report entitled *Cedar Ridge Did Not Always Provide the Required Treatment and Therapy Hours for Residential Treatment and Acute Care* and dated December 2014 (the “Report”). Cedar Ridge asks that that you consider its responses and suggested revisions prior to finalizing the Report.

A. Response and Clarification of Statements and Findings

- (1) *Previous OIG work in the Medicaid program found that an Oklahoma inpatient behavioral health facility did not always provide the required treatment and therapy hours (service hours).*

Response: The previous OIG audit pertained to another facility elsewhere in Oklahoma that is not in any way related or affiliated with Cedar Ridge or Universal Health Services. Please clarify as such in the Report.

- (2) *The objectives of this review were to determine whether Cedar Ridge (1) provided the required weekly number of service hours . . . [We found that] Cedar Ridge did not always provide the required treatment and therapy hours for residential treatment and acute care.*

Response: The OIG auditors performed a retrospective review of documentation in records. The objective should be whether Cedar Ridge sufficiently documented that it provided the required number of service hours per week – not whether the service hours were provided. The OIG auditors found that the documentation may not have accurately or sufficiently documented the required number of service hours.

Cedar Ridge disagrees that it “did not always provide” the required treatment and therapy services. Cedar Ridge acknowledges that services must be sufficiently documented to be paid by the Medicaid program.

- (3) *At the time of our audit, Oklahoma required a minimum of 21 service hours per week for residential treatment and a minimum of 24 service hours per week for acute care.*

Response: The Oklahoma Medicaid program required a minimum of 21 service hours per “service week,” which is based on a “Sunday to Saturday” week, for residential treatment and a minimum of 24 service hours per service week (based on a “Sunday to Saturday” week) for acute care during the audit period (October 1, 2012 to September 30, 2013). The OIG audit was based on a “beneficiary-week,” which started on any day of the week and ended six days later. In many of the acute cases, the beneficiary-week was not “Sunday to Saturday.” For example, if a patient or resident is admitted on a Thursday, the Oklahoma Health Care Authority allows a facility to prorate service hours for that week. The OIG auditors did not grant this concession.¹

The average length of stay for acute treatment is 5 days. The OIG auditors reviewed all 36 patients during the audit period who had a length of stay of 7 days

¹ The OHCA regulations state:

The expectation is that active treatment will occur regularly throughout the treatment week. A treatment week in Acute is based on the number of days of acute service, beginning the day of admission (day 1). Required active treatment components will be based upon the length of stay as described below. A treatment week in RTC, PRTF and CBT is considered to be a calendar week (i.e. Sunday through Saturday). When a child is admitted to RTC, PRTF or CBT level of care on a day other than Sunday, or discharges on a day other than Saturday, the week will be considered a partial week and services will be required as described below. Active treatment components do not include assessments/evaluations. Active treatment begins the day of admission. Days noted are calendar days. OAC 317.30-5-95.34(e).

A-06-14-00029 Cedar Ridge Response to Draft Report

or longer. The majority of patients at Cedar Ridge during the audit period had a length of stay of less than a “beneficiary week.”

We further note that Oklahoma Health Care Authority regulations were revised as of September 14, 2014 to decrease the number of service hours required to a minimum of 14 service hours per week for residential treatment and a minimum of 17 service hours per week for acute care. The chart shown on page 3 of the Report does not reflect the current requirements for residential treatment or acute care (OAC 317:30-5-95.34 (d)).

- (4) *Based on our sample results, we estimate that Cedar Ridge provided less than the required minimum 21 service hours for residential treatment beneficiary-weeks in our audit period by at least 10,232. . . [we] estimate a total of \$512,600 in partial per diem recoupments.*

Response: Of the actual 100 audited residential treatment beneficiary-weeks, the OIG auditors found that 530 service hours were not accurately or sufficiently documented. The use of the number “10,232” is potentially erroneous because it is an estimate based on an extrapolation of the universe of residential beneficiary treatment weeks. The estimated total of \$512,600 is also an extrapolation of the OIG’s actual findings.

Cedar Ridge has concerns that the statistical sampling and extrapolation used to estimate a refund amount of \$512,600 may not be accurate. Cedar Ridge would like to obtain the information necessary to verify the sampling and extrapolation used by the OIG auditors. Please provide the information described on Exhibit A. We further note that the Oklahoma Health Care Authority in its annual Inspection of Care reviews has never used sampling and extrapolation in imposing the partial per diem recoupment of \$50 per missing service hour.

- (5) *Cedar Ridge provided 199 hours and 25 minutes less than the required weekly minimum service hours for 35 of the 36 acute-care treatment beneficiary-weeks, totaling \$9,971 in partial per diem payments.*

Response: The OIG auditors found that of the 36 acute-care treatment beneficiary-weeks that it reviewed, 199 hours and 25 minutes were not sufficiently documented, totaling \$9,971 in possible partial per diem recoupments. Again, services not being properly documented does not mean that the services were not actually provided.

- (6) *Additionally, Cedar Ridge did not always follow documentation requirements for service hours in accordance with the Oklahoma Administrative Code.*

Response: Cedar Ridge disagrees that this is a separate finding. Cedar Ridge asserts that the OIG auditors had one general finding: the documentation did not always accurately describe or sufficiently document the number of service hours required by the Oklahoma Health Care Authority during the specific audit period.

A-06-14-00029 Cedar Ridge Response to Draft Report

- (7) *Cedar Ridge did not have a comprehensive process in place to monitor whether a beneficiary's weekly treatment and therapy needs were met and properly documented.*

Response: Cedar Ridge disagrees with this statement. Cedar Ridge “met” the treatment and therapy “needs” of its patients and residents. OHCA regulations provide that the “expectation is that active treatment will occur regularly throughout the treatment week.” (See footnote 1 on page 2). Cedar Ridge had a process in place to determine whether beneficiaries received the required number of service hours. However, during the audit period, Cedar Ridge did not review the service hours of 100% of beneficiaries, but reviewed a sample of at least 30 beneficiaries per month in accordance with The Joint Commission standards.

While the audit was still underway, Cedar Ridge took immediate corrective action related to the monitoring of service hours. Beginning in August, 2014, Cedar Ridge employed an additional utilization review coordinator. The addition of this position provided the assistance necessary in order to ensure that 100% of the Medicaid beneficiaries both receive the required number of service hours during each week of their acute or residential treatment stay and that the services are properly documented.

- (8) *During the audit period, Cedar Ridge received \$5,020,615 for 2,131 beneficiary-weeks of residential treatment and \$150,555 for 36 beneficiary-weeks of acute care provided to Medicaid beneficiaries under the age of 18.*

Response: The OIG auditors reviewed records of 36 beneficiaries with a length of stay of 7 days (or more). As noted above, the majority of beneficiaries have shorter lengths of stay. To clarify, the reimbursement amount of \$150,555 reflects the amount paid to Cedar Ridge for the 36 acute care beneficiary-weeks audited, not the total reimbursement for acute care services during the audit period.

- (9) *The deficient time for residential treatment beneficiary week ranged from 45 minutes to 17 hours.*

Response: Cedar Ridge disagrees with this conclusion and believes it to be wrong. Based on the OIG audit results of the sample of 100 residential treatment beneficiary-weeks, in addition to the other issues raised above, the “deficient” time found by the OIG included services for which a patient refused to participate, when a patient was on pass with family and not present for the treatment or therapy session, and when a patient was admitted to the facility after the start time of the group session. Oklahoma Health Care Authority permits facilities to make up the sessions later in the week. Further, the “17 hours” deficiency was a one-time occurrence out of the 100 beneficiary-weeks audited.

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B. Specific Revisions Requested

- (1) Please change the name of the Report to: Cedar Ridge Did Not Sufficiently Document that it Provided the Required Treatment and Therapy Hours for Residential Treatment and Acute Care” and similarly change any references in the Report from “*did not always provide*” to “did not always sufficiently document that it provided” the required treatment and therapy hours.
- (2) Please change each reference that “*Cedar Ridge provided less*” to “Cedar Ridge failed to document that it provided the required minimum.”
- (3) Please change each reference to “*Oklahoma requires*” a certain number of service hours or therapy to read “Oklahoma Medicaid” requires a certain number of service hours or therapy be provided to beneficiaries.
- (4) On pages ii and 3, please change the statements:

“Cedar Ridge did not have a comprehensive process in place to monitor whether a beneficiary’s weekly treatment and therapy needs were met and properly documented.”

to read:

“During the audit period, Cedar Ridge did not have a comprehensive process in place to monitor whether the State requirements for weekly treatment and therapy were met and properly documented for 1005 of Medicaid beneficiaries.”
- (5) On page 2 under “Cedar Ridge,” please add that the facility is accredited by The Joint Commission.
- (6) On page 3 under “Findings,” please change:

“Cedar Ridge did not always provide”

to read:

“The medical record documentation did not always establish that Cedar Ridge provided”.
- (7) On page 3, please change the bold print sentence to read: **Cedar Ridge’s Documentation Did Not Establish That It Provided the Required Service Hours.**
- (8) On page 5, please footnote that in some cases the staff employed by Cedar Ridge who conduct education and rehabilitative groups do not have specific credentials to include with their signature.

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Please let me know if you have any questions. My direct dial is 405-552-2233.

Very truly yours,

/Patricia A. Rogers/

Enclosure:

Exhibit A - Data Request

A-06-14-00029 Cedar Ridge Response to Draft Report

APPENDIX E: STATE AGENCY COMMENTS

JOEL NICO GOMEZ
CHIEF EXECUTIVE OFFICER



MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA
OKLAHOMA HEALTH CARE AUTHORITY

Common Identification Number: A-06-14-00029

Ms. Patricia Wheeler
Regional Inspector General for Audit Services
Office of Inspector General
Office of Audit Services, Region VI
1100 Commerce Street, Room 632
Dallas, TX 75242

April 14, 2015

Dear Ms. Wheeler,

The Oklahoma Health Care Authority (OHCA) appreciates the opportunity to respond to the audit findings on the "Cedar Ridge Did Not Always Provide the Required Treatment and Therapy Hours for Residential Treatment and Acute Care" report. We concur with these findings.

Sincerely,

Becky Pasternik-Ikard
Deputy State Medicaid Director