

Caring Counselors' Comments and OSC's Responses

In response to the Draft Audit Report (DAR) issued by the Office of the State Comptroller, Medicaid Fraud Division (OSC), Caring Counselors, Inc. (Caring Counselors), submitted a response that agrees with many of OSC's findings and took issue with others. Caring Counselors also provided OSC with a Corrective Action Plan (CAP) outlining steps it has taken or intends to take to address the deficiencies identified in the report. However, the CAP does not address whether Caring Counselors will repay the identified overpayment.

Set forth below are direct quotes from Caring Counselors' response to the DAR and OSC's response to each. After reviewing Caring Counselors' submission, OSC determined that there was no basis to revise its audit results. Caring Counselors' full response is attached to the Final Audit Report (FAR) as Appendix A.

Caring Counselors' Objection to the Executive Summary

Excerpt of Caring Counselors' Comments

The OSC reported an error rate of 15.8% of the total claims reviewed. However, this percentage does not align with the report previously provided by OSC, which reflected an actual error rate of 5.64%. That report supports and affirms Caring Counselors' ongoing intention and efforts to maintain compliance.

OSC's Response

Caring Counselors raised concerns that the error rate reported in the DAR Executive Summary did not align with the error rate previously reported in OSC's Summary of Findings. Caring Counselors misconstrues the two error rates. The 15.8 percent error rate reported in the DAR represents the percentage of total claims reviewed that contained errors. The 5.64 percent figure referenced in the Summary of Findings reflects the percentage of total dollars associated with the identified errors. Since one percentage reflects the frequency of claims with errors and the other reflects the proportion of dollars associated with those errors, the two figures measure different attributes. The 15.8 percent figure accurately reflects the frequency of claims that contained errors.

Caring Counselors' Objections to the Audit Findings

Caring Counselors' Objection: Failure to Follow Proper Billing Practices

Excerpt of Caring Counselors' Comments

Caring Counselors acknowledge that, in some instances, certain fields on the SDED forms were not fully completed. Specifically, there were occasions when sections related to youth demographic information or the youth's authorization information was not completed.

However, it is important to note that Caring Counselors consistently maintained accurate authorization information for all clients. Authorization details, including authorization numbers and service dates, were always verified through the NJ Children's System of Care (CSOC) system, which served as the official source for authorization tracking and billing.

In instances where certain demographic or authorization fields were not completed on the SDED form, the parent or guardian's signature confirming the date and time of services was always present. This signature served as verification that services were rendered as documented.

Additionally, Caring Counselors employed designated staff whose responsibility was to review all SDED forms to ensure that required signatures were obtained and that documentation reflected confirmation of services provided. While some demographic fields may have been incomplete, all required parental confirmations and service verifications were properly documented and reviewed.

OSC's Response

Caring Counselors acknowledges instances where it failed to complete certain Service Delivery Encounter Documentation (SDED) fields such as youth demographic or authorization information. While Caring Counselors notes that it maintained authorization details in the CSOC system and obtained parent or guardian signatures, these factors do not resolve the documentation deficiencies OSC identified.

Relevant regulations require providers to maintain fully completed SDED forms to document and support billed services. Accordingly, Caring Counselors' claim that it maintained internal processes outside of the SDED form does not justify using those processes as a substitute for a fully completed SDED form. Therefore, OSC will not modify this audit finding.

Caring Counselors' Objection: Billing for Unsubstantiated Services and/or Maintaining Inaccurate and Incomplete Records

Excerpt of Caring Counselors' Comments

Prior to the implementation of digital documentation, clinicians submitted paper invoices along with corresponding SDED forms. In some instances, clinicians inadvertently reported service hours on invoices that did not precisely match the hours documented on the SDED forms. Although Caring Counselors employed designated administrative and quality assurance staff responsible for reviewing and reconciling invoices against SDED documentation, these discrepancies were not always identified. The volume of documentation reviewed each week was substantial, and despite established procedures, some human errors occurred.

Once quality assurance staff verified that invoice information matched the SDED documentation, invoices were forwarded to the billing department. In many cases, discrepancies were identified and corrected prior to submission. Additionally, during periodic internal audits, Caring Counselors identified billing inconsistencies and issued refunds to Medicaid when appropriate. These actions demonstrate the organization's ongoing commitment to accountability and compliance.

With respect to instances in which SDED forms could not be located, Caring Counselors maintains that claims were not submitted unless an SDED form was present at the time of billing. During subsequent internal reviews, it was determined that some SDED forms had been misfiled. While many of these forms were later recovered, a limited number could not be located.

To further strengthen oversight and prevent recurrence, Caring Counselors has eliminated the use of paper invoices and transitioned fully to a digital documentation system. In addition, the organization has expanded its internal audit processes, increased the frequency of compliance reviews, and enhanced staff training related to documentation accuracy and billing requirements. These corrective measures are intended to improve oversight, reduce the risk of human error, and ensure continued compliance with all regulatory standards.

OSC's Response

OSC found that for 7 of the 10 claims reviewed, the hours of service documented on the SDED forms conflicted with the hours billed to and paid by Medicaid. Caring Counselors acknowledges that the hours billed and paid did not match the hours documented on the SDED forms and attributes these discrepancies to human error and the high volume of documentation reviewed. Regardless of the explanation provided, Medicaid regulations require that claims submitted for reimbursement accurately reflect the services documented as provided.

OSC found that for 3 of the 10 claims reviewed, Caring Counselors failed to provide SDED forms to support the claims. Caring Counselors acknowledges that it could not locate the SDED forms and attributes their absence to potential misfiling. However, the absence of the required SDED forms prevents OSC from verifying the propriety of these claims.

While Caring Counselors acknowledges the documentation deficiencies and describes post-audit corrective actions, these actions do not negate the deficiencies that OSC identified. Accordingly, OSC will not modify this audit finding.

Caring Counselors' Objection: Upcoded Services Provided

Excerpt of Caring Counselors' Comments

Caring Counselors has always employed licensed clinicians to provide services within the organization. At times, however, there has been confusion within the system of care regarding the distinction between licensed-level clinicians (LPCs and LCSWs) and master's-level clinicians (LSWs and LACs). In several instances, Care Managers and Mobile Response Specialists demonstrated uncertainty regarding these distinctions, which resulted in authorization discrepancies.

Caring Counselors has routinely informed Care Managers/Mobile Response Specialists on the appropriate classification of clinician credentials. Despite these efforts, some authorizations continued to be issued at incorrect service levels. In certain cases, Care Managers incorrectly classified licensed clinicians as master's-level providers. In other instances, licensed clinicians

were authorized at a master's level or vice versa. These discrepancies were not intentional and did not reflect any effort to misrepresent services rendered.

Caring Counselors understands that ultimately it is our responsibility to detect any authorization errors and ensure that they are corrected. However, these authorization errors were missed due to human error. At the time, the Caring Counselors relied heavily on paper-based systems, including SDED forms, treatment plans, progress notes, monthly summaries, and invoices. Given the volume of documentation and the manual nature of the process, occasional inconsistencies occurred across records. In some cases, billing staff were unaware of discrepancies and submitted claims based on the information available at that time.

Additionally, there were instances in which Caring Counselors was actively awaiting corrections from Care Managers/Mobile Response Specialists regarding authorization levels. During these periods, services continued in good faith while efforts were made to obtain accurate and updated authorizations.

Caring Counselors acknowledges these administrative errors and affirms that they were unintentional. Since the audit, the organization has since taken steps to strengthen internal review processes, improve documentation accuracy, and enhance communication with Care Managers to prevent similar issues in the future.

OSC's Response

OSC found that for 20 of the 215 claims, Caring Counselors billed for services using a higher reimbursed procedure code and/or modifier than was supported by the authorization and the credentials of the servicing provider, which resulted in Caring Counselors receiving overpayments. Caring Counselors acknowledges these deficiencies but attributes them to confusion within the system of care, errors by Care Managers, and limitations associated with paper-based processes. Regardless of how or why the discrepancies originated, it is the provider's responsibility to review authorizations and ensure that the procedure code and modifier billed accurately reflect the credentials of the servicing provider before submitting claims for reimbursement.

In short, providers are responsible for ensuring that claims they submit to Medicaid are supported by true, accurate, and complete information. Caring Counselors did not do that in these instances. Accordingly, OSC will not modify these audit findings.

Caring Counselors' Objection: Failure to Document Services with a Progress Note

Excerpt of Caring Counselors' Comments

Caring Counselors has always documented every encounter with a client or family with a progress note that substantiates the services provided for every single encounter. This is an industry standard and required for providing services. There were two progress notes that were not submitted due to an error with the date. The date was mistakenly one day off for both encounters. Due to high volumes of paperwork, the hardcopy of the paperwork was filed in an errors folder for

correction by clinicians. This was a way to correct those errors, prior to our Electronic Health Record which identifies the error quickly. Those progress notes were not accepted despite the date being off by one day and no SDED form submitted for the incorrect date of the progress note.

OSC's Response

OSC found that for 2 of the 215 claims, Caring Counselors failed to document services with required progress notes for the billed dates of service. In one of these claims, in addition to the discrepancy in date, the documentation submitted only indicated that the beneficiary was sleeping, with no memorialization of the services rendered. Caring Counselors acknowledges that it failed to submit these progress notes for the billed dates of service and attributes this to a date discrepancy and its internal filing practices. Regardless of the reason for the discrepancy or the intent to correct documentation internally, Caring Counselors did not provide progress notes supporting the specific dates of service billed to Medicaid. Medicaid requirements mandate that providers maintain and produce records that fully disclose the extent of services provided for each billed encounter. Because Caring Counselors failed to provide progress notes supporting the billed dates of service for these two claims, OSC determined that the claims were appropriately included in the audit findings. Accordingly, OSC will not modify these findings.

Caring Counselors' Objection: Failure to Maintain Assistance Training Certifications for Behavioral Assistants

Excerpt of Caring Counselors' Comments

It is important to note that there have been longstanding challenges within the CSOC certification process itself. The CSOC has acknowledged these challenges in a recent memorandum.

Prior to the COVID-19 pandemic, all Behavioral Assistant certification trainings were conducted in person, with limited sessions offered across various regions of New Jersey. These classes were subject to strict participant caps, and staff were sometimes turned away after traveling long distances because the sessions were full. In some cases, staff who did attend did not pass on the first attempt, requiring supervisors to provide additional guidance and training on CSOC policies, structure, and the BA role.

Following the pandemic, trainings transitioned to a virtual format. While this improved accessibility in certain ways, challenges persisted. Monthly participant caps still limited the number of staff who could attend, and required classes were not always offered consistently. As a result, some staff members experienced delays in fulfilling certification requirements despite their active efforts to register and participate.

At no point were IIC providers, including Caring Counselors, directed by the State or Rutgers (the training provider) to terminate staff due to certification delays. In fact, providers were encouraged to remain in communication with CSOC and Rutgers (organization providing BA training) to address these challenges collaboratively. Furthermore, the policy historically included a 90-day grace period for recertification, during which BAs were permitted to continue working while completing requirements.

Caring Counselors has consistently worked with our staff to support completion of BA certification and has taken corrective action when employees did not actively pursue or comply with requirements. We strongly value compliance with CSOC and Medicaid regulations and have made good-faith efforts to uphold these standards despite systemic barriers.

As documented in the Audit Report there were issues with Behavioral Assistant certifications.

- For 1 of 3 BAs, which accounted for 1 of 3 claims, Caring Counselors failed to provide documentation showing that the BA obtained their certification within the required six-month period. Additionally, the BA provided services to a new patient after the six-month certification period had passed, which violates DCF's guidance.
- For 2 of 3 BAs, which accounted for 2 of 3 claims, Caring Counselors provided a BA training certification that it had obtained after the encounter date. For example, one BA performed services on April 12, 2018, but Caring Counselors did not obtain the BA Certification until November 7, 2022, over 4 years after the service date. Additionally, these BAs continued providing services to new patients after the certification and recertification period had passed, which violates DCF guidance.

Regarding the 1st of the 3 Behavioral Assistants, the individual completed majority of the required coursework, which was submitted to the Comptroller's Office. At the time services were rendered, the Behavioral Assistant was actively working toward certification and was in the process of completing the remaining requirements. However, this individual separated from the organization prior to obtaining full certification.

Regarding the Behavioral Assistant who provided services on April 12, 2018, the audit draft contains an inaccuracy. The statement indicating that the clinician did not receive certification until four years later is incorrect. The Behavioral Assistant obtained certification on November 6, 2018, and documentation verifying this was submitted to the Comptroller's Office. Receipt of this documentation was confirmed by the Comptroller's Office at that time.

OSC's Response

OSC found that Caring Counselors allowed 1 of 3 behavioral assistants (BAs) included in the audit sample to provide behavioral assistant services to beneficiaries without having obtained the required initial certification within six months of the BA's hire date. Caring Counselors asserted that the BA had completed the majority of the required training and was in the process of completing the remaining requirements before the BAs separation from the organization. However, the documentation reviewed does not support this. The BA was hired in October of 2016 and was required to obtain certification within six months of that date. As of December 21, 2017, over one year after the BA's hire date, the BA had completed five of the seven required live training courses and had not completed the required core competencies section in the training system. Accordingly, the BA had not met the certification requirements when the BA provided services. Additionally, this BA continued providing services to a new patient after the six-month certification period had passed, which violates DCF's guidance.

OSC found that for 2 of the 3 BAs, Caring Counselors provided BA training certifications that were obtained after the encounter date. Specifically, for the BA who provided services on April 12, 2018, Caring Counselors clarified that it obtained the training certification in November 2018, not in 2022. While this clarification is noted, Caring Counselors nonetheless acknowledges that it obtained the Certification more than six months after the April 12, 2018 date of service, and more than one year after the BA's June 12, 2017 hire date, which violates the Department of Children and Families (DCF) certification requirements. With respect to the other BA, Caring Counselors did not object to the finding. Services billed prior to the date of certification remain unsupported because BAs must obtain the required certification before rendering services.

Caring Counselors also noted longstanding challenges within the CSOC certification process, including limited class availability, participant capacity restrictions, and pandemic-related disruptions. While these circumstances may have contributed to delays in completing certification requirements, they do not alter the requirement that BAs obtain and maintain valid certification within the required timelines before rendering and billing for services. Accordingly, OSC determined that the deficiencies identified in the audit were appropriately included in the audit findings. As such, OSC will not modify its findings.

Caring Counselors' Objection: Failure to Maintain a Current and Valid Driver's License for Servicing Providers

Excerpt of Caring Counselors' Comments

Caring Counselors has always required a valid driver's license for all providers as part of the onboarding and employment process, regardless of whether the staff member transports clients. It is also important to note that many staff at Caring Counselors do not transport clients. This requirement has consistently been applied to all behavioral assistants and clinicians.

In this instance, the Behavioral Assistant's initial driver's license, which expired on 8/31/2017, was properly obtained and maintained in the employee file. However, the renewed license was inadvertently misfiled. This was an administrative error related to document management, not a failure to obtain or verify the required documentation.

We acknowledge that accuracy in recordkeeping is essential and that such errors should not occur. As a corrective action, Caring Counselors has implemented improved procedures, including the digital storage of all licensure and identification documents, to prevent future misfiling and to ensure enhanced compliance and record accuracy moving forward.

OSC's Response

OSC found that for one BA in the audit sample, which accounted for 1 of the 215 claims, Caring Counselors failed to maintain a copy of the servicing provider's current and valid driver's license. Caring Counselors asserts that it requires a valid driver's license for all providers and that it obtained and maintained this BA's renewed license but inadvertently misfiled it. Notwithstanding that statement, Caring Counselors did not provide documentation demonstrating that it had obtained the current and valid driver's license at the time the BA provided services. Instead, the

only documentation Caring Counselors provided to OSC was a copy of the driver's license that had expired prior to the date the BA provided services. Accordingly, OSC determined that the identified claim was appropriately included in the audit findings. As such, OSC will not modify its audit finding.