

Audit of Medicaid In-Community Services Claims Submitted by Family Therapy and Consultation Services, LLC/ United Family Services

MEDICAID FRAUD DIVISION REPORT



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Acting State Comptroller

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*Exhibits A-C were omitted to maintain confidentiality.

I. Executive Summary

As part of its oversight of the New Jersey Medicaid program (Medicaid), the New Jersey Office of the State Comptroller, Medicaid Fraud Division (OSC) audited Medicaid claims submitted by and paid to Family Therapy and Consultation Services, LLC and United Family Services (Family Therapy), for the period from August 1, 2017 through April 30, 2022 (audit period).

OSC's audit sought to determine whether Family Therapy billed for intensive in-community mental health rehabilitation and behavioral assistance services in accordance with applicable state requirements. OSC's audit found that in over thirteen percent (13.15 percent) of the claims it reviewed, Family Therapy failed to meet Medicaid program requirements, including ones designed to protect the health and safety of Medicaid beneficiaries. OSC found, among other things, that Family Therapy allowed employees to perform services for Medicaid beneficiaries even though Family Therapy could not demonstrate that these employees successfully had completed Behavioral Assistance (BA) training certifications and failed to show that it had verified that employees satisfied their education requirements prior to performing their job functions.

OSC also found that Family Therapy failed to accurately document the services it provided. Family Therapy billed for services without possessing the necessary supporting documentation, and in some instances the documentation it possessed was inaccurate or included conflicting information.

To arrive at its overpayment findings, OSC selected a statistical sample of 202 claims totaling \$30,987 paid to Family Therapy. Of these sampled claims, OSC found that 22 claims failed at least one test criterion, resulting in an overpayment of \$2,545. OSC extrapolated the error dollars for the sampled claims (\$2,545) to the total population from which the sample was drawn and calculated that Family Therapy received an extrapolated overpayment of at least \$1,070,771.¹ In addition, OSC placed the 11 highest paid claims, totaling \$9,546 in Medicaid payments, in a "take-all" stratum (i.e., a stratum for which OSC reviews 100 percent of the claims). Of these 11 claims, 6 failed at least one test criterion for an overpayment of \$5,850. In total, Family Therapy received an overpayment of at least \$1,076,621 (an extrapolated overpayment of \$1,070,771 plus a direct recovery of \$5,850).

OSC's review of Family Therapy highlights numerous oversight failures by an organization serving a vulnerable population. Despite regulations designed to ensure that Family Therapy performed proper qualification checks, Family Therapy did not consistently meet these requirements, which increases the risk that unqualified Family Therapy staff members provided services to Medicaid beneficiaries. That, in turn, increased the risk that Medicaid beneficiaries could have been harmed or received lower quality care than they were entitled to receive. While OSC did not identify any direct adverse consequences to Medicaid beneficiaries resulting from Family Therapy's failings,

¹ OSC can reasonably assert, with 90 percent confidence, that the total overpayment in the universe is greater than \$1,070,771 (28.89 percent precision) with the error point estimate as \$1,505,725. By using the lower limit as the recovery amount, OSC has high confidence that the actual overpayment amount is at least the lower limit, \$1,070,771, but likely closer to the point estimate, \$1,505,725. Program oversight bodies commonly use this approach to ensure a fair and conservative recovery amount and to factor in any uncertainty inherent in the statistical sampling/extrapolation process.

Family Therapy must address these shortcomings, and it must reimburse the Medicaid program for the above-referenced overpayments.

II. Background

The Division of Medical Assistance and Health Services, within the New Jersey Department of Human Services, administers New Jersey's Medicaid program. Medicaid is a program through which individuals with disabilities and/or low incomes receive medical assistance. The Medicaid program provides intensive in-community mental health rehabilitation and behavioral assistance services to improve or stabilize the level of functioning of children and young adults within their homes and communities. These services, which are overseen by the State Department of Children and Families (DCF) when provided to youth and children, seek to prevent, decrease, or eliminate behaviors or conditions that may place the individual at an increased clinical risk or may otherwise negatively affect a person's ability to function. These services are provided in accordance with an approved plan of care.

Family Therapy, which is located in Woodbury, New Jersey, has participated in the Medicaid program as an intensive in-community mental health rehabilitation and behavioral assistance services provider since January 1, 2004 (Family Therapy and Consultation Services) and June 1, 2008 (United Family Services). Family Therapy billed the Medicaid program for intensive in-community mental health rehabilitation and behavioral assistance services under Healthcare Common Procedure Coding System (HCPCS) codes H0036 and H2014. During the audit period, for the audit sample, Family Therapy billed for services provided by 103 contracted behavioral healthcare professionals.

III. Audit Objective, Scope, and Methodology

The audit objective was to evaluate claims billed by and paid to Family Therapy to determine whether Family Therapy billed these claims in accordance with applicable state regulations.

The scope of the audit was August 1, 2017 through April 30, 2022. OSC conducted this audit pursuant to its authority set forth in N.J.S.A. 52:15C-1 to -23, and the Medicaid Program Integrity and Protection Act, N.J.S.A. 30:4D-53 to -64.

OSC reviewed 213 claims, totaling \$40,533 paid to Family Therapy, from a population of 119,521 claims, totaling \$18,936,868 paid to Family Therapy under HCPCS codes H0036 and H2014.

OSC reviewed Family Therapy's records related to 213 claims to determine whether the documentation provided complied with the requirements of New Jersey Administrative Code (N.J.A.C.) 10:49-9.8(a); N.J.A.C. 10:49-9.8(b)(1) to (4); N.J.A.C. 10:77-4.8(b); N.J.A.C. 10:77-4.9(e), (f), and (g); N.J.A.C. 10:77-4.12(d)(1) to (5); N.J.A.C. 10:77-4.12(e)(6); N.J.A.C. 10:77-4.14(c)(1), (2), and (4); N.J.A.C. 10:77-4.14(d)(1) and (2); N.J.A.C. 10:77-5.7(c) to (e); N.J.A.C. 10:77-5.9(f); N.J.A.C. 10:77-5.10(b); N.J.A.C. 10:77-5.12(d)(1) to (5); N.J.A.C. 10:77-5.12(e)(6); and N.J.A.C. 10:77-5.14(b) and (d)(1).

IV. Compliance Framework

Medicaid regulations for intensive in-community mental health rehabilitation and behavioral assistance services establish safeguards to ensure program integrity and prevent fraud, waste, and abuse. These rules establish requirements to ensure provision of high-quality, medically necessary services and appropriate billing of these services as authorized by DCF. Understanding the broader framework provides essential context for these regulations.

The regulations governing intensive in-community mental health rehabilitation and behavioral assistance services in New Jersey emerged from broader efforts to reform the state's children's health system. In the early 2000s, New Jersey established the Children's System of Care (CSOC) to provide a comprehensive, community-based approach to supporting youth with emotional and behavioral needs. This shift aimed to reduce reliance on institutional and out of home placements and encourage in-community based services. The initiative was focused on delivering care in the least restrictive environment possible, emphasizing family involvement, individualized services, and community integration.

In support of these reforms, New Jersey adopted regulations to formalize service delivery standards and ensure program integrity. Specifically, N.J.A.C. 10:77-4 and -5, along with guidance issued by DCF, impose requirements on the intensive in-community and behavioral assistance providers relating to service authorization, provider qualifications, documentation, billing practices, among other things. These rules are designed to ensure that youth receive appropriate and effective services and to protect the Medicaid program from fraud, waste, and abuse. By establishing standards, the regulations promote accountability, transparency, and the responsible use of Medicaid funds.

V. Discussion of Auditee Comments

The release of this Final Audit Report concludes a process during which OSC afforded Family Therapy multiple opportunities to provide input regarding OSC's findings. Specifically, OSC provided Family Therapy with a Summary of Findings (SOF) and offered Family Therapy an opportunity to discuss the findings at an exit conference. OSC and Family Therapy, represented by counsel, held an exit conference during which the parties discussed OSC's findings in the SOF. After the exit conference, Family Therapy provided OSC with additional records. After considering Family Therapy's submission, OSC provided Family Therapy with a Draft Audit Report (DAR) that contained recommendations and instructed Family Therapy to provide a Corrective Action Plan (CAP) as part of its formal response to the DAR. Family Therapy submitted a formal response to the DAR and a CAP, which is attached as Appendix A.

OSC addresses each argument raised by Family Therapy in more detail in Appendix B to this report. After reviewing Family Therapy's submission, OSC determined that there was no basis to revise any of its findings presented in this audit report.

VI. Audit Findings

A. Family Therapy Increased the Risk of Harm to Medicaid Beneficiaries

OSC found lapses in Family Therapy's regulatory compliance, revealing systemic shortcomings that increased the risk of harm to the vulnerable Medicaid population it serves. Family Therapy's oversight failures created unnecessary risks that highlight the need for corrective action. The following sections outline specific failures identified in the audit.

1. Family Therapy Failed to Maintain Behavioral Assistance Training Certifications for Behavioral Assistants

Pursuant to state regulation, N.J.A.C. 10:77-4.14(c)(4), Family Therapy was required to maintain written documentation showing that behavioral assistants (BAs) who provided services on its behalf successfully completed the Behavioral Assistance Training Certifications required by DCF. As part of the Behavioral Assistance Training Certification process, every BA must attend live trainings, meet 13 core competencies, and successfully pass a 30-question multiple-choice review. BAs are required to obtain the certification within six months of the BA's hire date, and every BA must be recertified annually.²

OSC's audit found that Family Therapy failed to ensure that multiple BAs had received proper training. Specifically, it lacked proof of training certifications or re-certifications, submitted certifications obtained after services were rendered, or provided expired certifications. As a result, unverified BAs delivered services to Medicaid beneficiaries, increasing the risk that beneficiaries could have received inadequate care from BAs who lacked required training.

OSC requested that Family Therapy provide the Behavioral Assistance Training Certifications for BAs in OSC's sample claims to determine whether Family Therapy satisfied the requirement that it verified and maintained this documentation. OSC found that Family Therapy allowed 7 of the 30 BAs in the audit sample selection to provide behavioral assistance services to beneficiaries without having obtained the required certification within six months of their hire date and/or having obtained re-certifications annually thereafter. Family Therapy allowed BAs to provide behavioral assistance services without ensuring and/or maintaining required BA training certifications and inappropriately billed for 10 of 213 claims, totaling \$956.51 in reimbursement.

² N.J.A.C. 10:77-4.14(c) states that "[f]or the direct care staff employed by the agency, the following information shall be maintained" and lists five categories of documentation, including "[v]erified written documentation of the direct care staff person's successful completion of any Behavioral Health Assistance Rehabilitation Services training required by the Department of Children and Families." This regulation is supplemented by DCF's written policy that details how BAs should obtain their certification and recertification, including specific timelines for completion. DCF modified its policy through informal (oral) communication to providers allowing BAs who do not obtain their initial certification within the required six months, or fail to complete their annual recertification on time, to continue to provide services to established patients. Established patients are defined as those who are initially served within the six-month certification timeframe or before the BA's annual certification expired. However, in such cases, BAs are prohibited from providing services to new patients until they have obtained the required certification or recertification.

- For 4 of 7 BAs, which accounted for 4 of 10 claims, Family Therapy failed to provide documentation showing that the BAs obtained their certification within the required six-month period. Additionally, the BAs provided services to a new patient after the six-month certification period had passed, which violates DCF's guidance.
- For 2 of 7 BAs, which accounted for 5 of 10 claims, Family Therapy provided a BA training certification that the BAs had obtained after the encounter date. For example, one BA performed services on January 24, 2021, but Family Therapy did not obtain the BA re-certification until November 7, 2022, over 21 months after the service date (prior re-certification expired on February 29, 2020). Additionally, these BAs continued providing services to new patients after the recertification period had passed, which violates DCF guidance.
- For 1 of 7 BAs, which accounted for 1 of 10 claims, Family Therapy provided a copy of a BA training certification that had expired more than 7 months prior to the encounter date and provided no re-certification documentation. Additionally, this BA continued providing services to a new patient after the recertification period had passed, which violates DCF's guidance.

By failing to obtain such certificates within six months of hire date and re-certifications annually thereafter, Family Therapy violated N.J.A.C. 10:77-4.14(c)(4).

Pursuant to N.J.A.C. 10:77-4.14(c)(4), the provider must maintain "[v]erified written documentation of the direct care staff person's successful completion of any Behavioral Health Assistance Rehabilitation Services training required by the Department of Children and Families." DCF guidance requires BAs to obtain initial certification within six months of their hire date.

2. Family Therapy Failed to Maintain Proof of Education for Behavioral Assistants

According to state regulations, N.J.A.C. 10:77-4.9(e) and N.J.A.C. 10:77-4.14(c)(1), to perform behavioral assistance services, a BA must have, at a minimum, a high school diploma or equivalent. A provider must verify and maintain documentary proof that BAs satisfy this educational requirement.

Family Therapy failed to ensure that certain BAs met the minimum educational requirement before they rendered services. Specifically, Family Therapy did not verify and maintain copies of diplomas or other proof of education at the time of hire. After receiving the Summary of Findings, Family Therapy subsequently requested and obtained diplomas from former BAs, highlighting its initial lapse in verifying, obtaining, and retaining proof of education. By not meeting this requirement at the outset, Family Therapy increased the risk of employing BAs with inadequate education, thereby exposing Medicaid beneficiaries to services from personnel who may not have been qualified to provide care.

OSC requested that Family Therapy provide copies of high school diplomas or equivalents for BAs to determine whether qualified individuals performed services and to determine whether Family Therapy maintained proof that these BAs had satisfied the minimum educational requirement. OSC found that Family Therapy failed to maintain the requisite documentation from

the outset for 2 of the 30 BAs in the audit sample, which accounted for 2 of the 213 claims, totaling \$156 in reimbursement.

By failing to maintain proof of education for BAs from the outset, Family Therapy violated N.J.A.C. 10:77-4.9(e) and N.J.A.C. 10:77-4.14(c)(1).

Pursuant to N.J.A.C. 10:77-4.9(e), “[a]ll direct care staff shall, at a minimum, have a high school diploma or equivalent, be 21 years old and have a minimum of one year relevant experience in a comparable environment and shall be supervised by appropriate clinical staff in accordance with this subchapter.”

Pursuant to N.J.A.C. 10:77-4.14(c)(1), the provider must maintain “[a] copy of the direct care staff person’s high school diploma or equivalent.”

B. Family Therapy Failed to Follow Proper Billing Practices

According to state regulation, N.J.A.C. 10:49-9.8(a) and (b), providers are required to certify that claim information is true, accurate, and complete and to maintain records sufficient to fully disclose the extent of services provided. OSC found deficiencies in Family Therapy’s billing practices and documentation oversight. To perform this portion of the review, OSC focused on the Service Delivery Encounter Documentation (SDED) form, which DCF requires intensive in-community and behavioral health providers to complete. The SDED is a two-page document that records each service encounter and thereby facilitates proper verification of services provided in support of a provider’s billing. The first page of the SDED form includes fields for the beneficiary’s name, date of birth, address, the name and signature of the servicing provider, and an agency (provider) signatory certification. This page also contains fields for service authorization information, as well as the name and license number of the clinical supervisor. The second page includes fields for the service encounter date, time, and delivery location, and the name of the guardian or responsible party, their address, and signature, and the date of service. This form aligns with the state Medicaid regulations that require providers to maintain records for each encounter, including the name and address of the beneficiary; the exact date, location, and time of service; the type of service; and the length of time for the face-to-face encounter. In sum, the SDED form not only documents and verifies the services provided and frequency of such services but also ensures that appropriately credentialed providers certify that the services were rendered and they met at least the minimum qualifications required to provide such services, as indicated on the SDED form.

1. Family Therapy Billed Unsubstantiated Services and/or Maintained Inaccurate and Incomplete Records

OSC requested the two-page SDED forms to determine whether Family Therapy accurately completed and maintained required documentation for all intensive in-community and behavioral assistance provider encounters. OSC found that for 16 of 213 sample claims, totaling \$5,137 in reimbursement, Family Therapy billed for services for which it failed to possess adequate documentation. The 16 failed claims contained 19 total exceptions. Specifically, OSC found the following:

- For 7 of 16 claims, the hours of service on the SDED form conflicted with hours billed and paid. For example, one SDED form documented that one servicing provider rendered services on August 31, 2020, from 2:00 PM to 3:00 PM (one hour), but Family Therapy billed and was reimbursed by Medicaid for ten hours and fifteen minutes for the same service, a difference of nine hours and fifteen minutes.
- For 2 of 16 claims, the supporting documentation contained conflicting information. The SDED form documented services performed virtually; however, the progress note denoted services performed in-person, which calls into question the legitimacy of the services Family Therapy billed.
- For 6 of 16 claims, Family Therapy submitted SDED forms on which the service delivery date noted on the second page was outside of the prior authorization date (start and end date) specified on the first page of the SDED form. This discrepancy undermines the integrity of the provider attestation on page 1, as the certifying provider's certification will not correspond to the actual service date in return, signifying that page one was not related to page two.
- For 2 of 16 claims, Family Therapy provided SDED forms that were missing signatures of the servicing providers attesting that the services were rendered.
- For 2 of 16 claims, Family Therapy failed to provide SDED forms that would support the claims for which Family Therapy billed and was paid.

Maintaining accurate and complete SDED forms (both pages) is essential to ensure that each beneficiary received appropriate services from a qualified professional for a sufficient duration and frequency. The prior authorization information and servicing provider attestation on the first page of the SDED form must align with the service date and guardian signature on the second page. This alignment confirms that the servicing provider, who certified meeting the minimum qualifications, delivered the services as indicated on page two of the SDED form. When this information was inconsistent, OSC could not determine whether the information contained on the first page corresponded to the date of service on the second page. For example, in one instance, the first page of an SDED form contained a prior authorization date range of September 12, 2018 through December 10, 2018. However, the service date on the second page was February 8, 2019 – almost two months after the specified date range. This discrepancy indicated that the first page did not correspond to the service date on the second page. In this case, OSC determined that the claim was deficient because the mismatch between pages prevented OSC from determining whether Family Therapy confirmed that the servicing provider met the required qualification and that the services were delivered as certified for the service date indicated on the second page of the SDED form.

By failing to maintain and produce the appropriate records, Family Therapy violated N.J.A.C. 10:49-9.8(a), N.J.A.C. 10:49-9.8(b)(1), N.J.A.C. 10:49-9.8(b)(2), and N.J.A.C. 10:49-9.8(b)(3).

Pursuant to N.J.A.C. 10:49-9.8(a), "providers shall certify that the information furnished on the claim is true, accurate, and complete."

Pursuant to N.J.A.C. 10:49-9.8(b)(1), providers are required “[t]o keep such records as are necessary to disclose fully the extent of services provided.”

Pursuant to N.J.A.C. 10:49-9.8(b)(2), providers agree “[t]o furnish information for such services as the program may request.”

Further, pursuant to N.J.A.C. 10:49-9.8(b)(3), providers who fail to maintain appropriate records that document the extent of services billed agree that “payment adjustments shall be necessary.”

2. Family Therapy Failed to Document Services with a Progress Note

According to N.J.A.C. 10:49-9.8(b)(1), N.J.A.C. 10:77-4.12(e)(6), and N.J.A.C. 10:77-5.12(e)(6), providers are required to maintain progress notes that fully disclose the extent of services provided and demonstrate progress toward the goals identified in the beneficiary’s plan of care. For both intensive in-community mental health rehabilitation and behavioral assistance services, providers must document services through progress notes. These notes detail the treatment provided, the beneficiary’s response, significant events affecting their condition, and other relevant information for their care plan. Progress notes are vital for continuity of care and evaluating service effectiveness. Inadequate notes can lead to incomplete documentation, impacting care quality and raising concerns about the legitimacy of the services billed. Unlike the SDED form, which the parent or guardian signs to attest to the session’s date, duration, and location, the servicing provider alone completes the progress note.

OSC reviewed Family Therapy’s records to determine whether Family Therapy maintained progress notes that supported services billed. OSC found that for 1 of 213 claims, totaling \$226 in reimbursement, Family Therapy failed to document services in a progress note. Moreover, for the sampled claim in question, Family Therapy failed to provide any other documentation substantiating the services, such as an SDED form.

By failing to maintain appropriate records for this claim, Family Therapy violated N.J.A.C. 10:49-9.8(b)(1), N.J.A.C. 10:77-4.12(e)(6), and N.J.A.C. 10:77-5.12(e)(6).

Pursuant to N.J.A.C. 10:49-9.8(b)(1), providers are required “[t]o keep such records as are necessary to disclose fully the extent of services provided.”

Pursuant to N.J.A.C. 10:77-4.12(e)(6), the provider shall maintain, “[w]eekly quantifiable progress notes toward defined goals as stipulated in the child/youth or young adult’s BASP [Behavioral Assistance Service Plan].”

Pursuant to N.J.A.C. 10:77-5.12(e)(6), the provider shall maintain “[f]or each discrete contact with the child/family, progress notes which address the defined goals stipulated in the child/youth or young adult’s plan of care must be completed.”

VII. Summary Of Medicaid Overpayment

OSC determined that Family Therapy incorrectly billed 28 (32 total exceptions) of 213 claims reviewed, which resulted in an overpayment of \$8,395. To ascertain the total overpayment Family

Therapy received, OSC extrapolated the error dollars from the 202 sampled claims, totaling \$2,545, to the total population from which the sample was drawn, which was 119,510 claims, with a total payment amount of \$18,927,322. From this extrapolation, OSC calculated that Family Therapy received an overpayment of at least \$1,070,771 that Family Therapy must repay to the Medicaid program.³ OSC also determined that Family Therapy submitted six deficient claims for which it received an overpayment of \$5,850 in the take-all stratum, which means that Family Therapy received a total overpayment of at least \$1,076,621 (an extrapolated overpayment of \$1,070,771 plus a direct recovery of \$5,850).

VIII. Recommendations

Family Therapy shall:

1. Reimburse the Medicaid program the overpayment amount of \$1,076,621.
2. Adhere to state regulations and guidance for Medicaid services provided by Family Therapy and its health care professionals.
3. Obtain and maintain required documentation (i.e., proof of education) before assigning servicing providers case referrals to ensure compliance with state regulations.
4. Ensure that all BAs successfully complete their initial behavioral assistance training certification within six months from the date of hire, complete recertification annually thereafter, and maintain proof of all such certifications as required by DCF.
5. Ensure that all professionals employed by Family Therapy receive training to foster compliance with applicable state regulations and guidance.
6. Provide OSC with a CAP indicating the steps Family Therapy will take to implement procedures to correct the deficiencies identified herein.

³ See Footnote 1.

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January 5, 2026

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Re: Family Therapy and Consultation Services and United Family Services
Response to OSC DRAFT AUDIT REPORT

Dear Mr. [REDACTED]:

Family Therapy and Consultation Services and United Family Services (“Family Therapy/United Family”) are in receipt of the Draft Audit Report (the “Report”) dated December 17, 2025, sent by your office. Family Therapy/United Family strongly disagrees with the characterization, methodology, and conclusions of the Report. Enclosed is their response to the draft report, as well as a Corrective Action Plan.

As a preliminary matter, Family Therapy/United Family is disappointed that after extensive discussions and the exchange of documentation, your agency has prepared a draft report which falsely suggests that Family Therapy/United Family failed to meet requirements “designed to protect the health and safety of Medicaid beneficiaries.” Not only is the statement false, but is irresponsible. Family Therapy and United Family Services are mental health agencies created in order to serve children and families with intensive behavioral and emotional challenges as IIC providers in New Jersey. Family Therapy/United Family has worked with thousands of children

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and families, and has built a reputation with their clients and community partners as an ethical, consistent, and caring agency who provides professional and empathetic support for their clients. Since inception, Family Therapy/United Family has strived to meet every relevant law and regulation put into place by Medicaid, the State of New Jersey, the Federal Government, HIPAA, the New Jersey Department of Children and Families and The Children's System of Care of New Jersey, as well as the relevant Licensing Boards of New Jersey. As discussed in greater detail below, the purported errors cited in the draft report are clerical in nature, and relate to the types of errors (missing signatures, transposed numbers and dates, misfiled documents, etc.) commonly found in any system involving thousands of transactions. Your suggestion that any Medicaid beneficiaries were put in harm's way is unfounded risks undermining the trust that the public has in their health care professionals. Despite the inflammatory accusation, you provide no evidence or instance of such harm or risk of harm, because none exists. Family Therapy/United Family does not minimize the importance of training and education of staff interacting with clients. Quite the contrary. Family Therapy/United Family puts a priority on the safety and well-being of its clients, and demands only competent and qualified clinicians provide services to patients. Family Therapy/United Family only disputes that in the instances cited by your agency, any client was put at risk, and similarly disputes that, based on those instances, a general conclusion could be drawn that clients were put at risk.

Over the past decade, Family Therapy/United Family has invested hundreds of thousands of dollars a year in finding and retaining reliable and consistent administrative staff, developing new procedures, and purchasing new software and technology, and believe that over the past

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several years they have created a structure and environment that have led to eliminating the possibility of missing required documentation for staff or clients.

Although Family Therapy/United Family recognizes that its staff made some clerical and numerical errors, and that an overpayment recovery is appropriate, it rejects the theory that the errors can, or should be, extrapolated across the universe of claims from 2017 through 2022. First and foremost, your extrapolation premise is flawed because it omits the thousands of claims submitted by Family Therapy/United Family to Medicaid and denied, and which amount to \$1,301,918. For example, during the period 2017 through 2022, Medicaid denied certain claims for services because it deemed that a particular beneficiary was no longer eligible for Medicaid. Accordingly, Family Therapy/United Family was not paid for those services, even though the service was provided pursuant to a prior authorization. Your audit failed to review those unpaid claims to determine whether Medicaid made a mistake which should result in a credit, or whether those claims were otherwise error-free, which would result in a much lower error rate for the universe of extrapolation. In either case, the overpayment number would be reduced.

Second, you must realize that your audit date range includes the national COVID pandemic, which was an unprecedented health care crisis that created abnormal circumstances for employees and patients. Daily death tallies broadcast by Governor Murphy, and regular changes in state and CDC guidance regarding transmission, social distancing, and remote-working generated significant uncertainty, anxiety, and confusion among everyone, including service providers, clients, and the parents of clients. It is incorrect and unfair to assume the error rate of

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forgetting to sign a form or check a date, for example, by persons dealing with a world-wide pandemic will be the same as their error rate during normal circumstances.

1. “Executive Summary”

Family Therapy/United Family objects to the statement “OSC’s audit found that in over thirteen percent (13.14%) of the claims it reviewed, Family Therapy/United Family failed to meet Medicaid program requirements, including ones designed to protect the health and safety of Medicaid beneficiaries.” Family Therapy/United Family feels this statement is unfair and misleading. While it may be true that the OSC found an error in 13.14% of their claims, Family Therapy/United Family disputes that the errors were all material errors, and certainly none of the errors related to actual risk of harm. Their policy has always been, and remains to this day, that staff cannot begin working with children and families until all onboarding documentation (including background checks and education qualifications) is submitted in full. Family Therapy/United Family prioritizes the safety of its clients and their families, and every staff member, the executive team, clinicians, directors, down through the administrative and billing team, can personally attest to the care and diligence Family Therapy/United Family puts into ensuring that their clients are provided safe, empathetic, experienced and knowledgeable staff who meet the requirements of all the relevant boards and agencies, including Medicaid. In the explanations below, Family Therapy/United Family goes into detail on what occurred and why they believe that an insinuation that they may have caused harm to their clients through negligence to be unfair and inaccurate.

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Audit Findings

I. Family Therapy Increased the Risk of Harm to Medicaid Beneficiaries

A. Family Therapy Failed to Maintain Behavioral Assistance Training Certifications for Behavioral Assistants

Family Therapy/United Family is being cited for not having BA initial certification for four staff, BA recertification dated after the services date, and BA recertification expired. Family Therapy/United Family's policy is and has been that BAs must complete their initial certification within six months of their hire date, and must be recertified prior to their certification expiration date. They are not to receive new cases if they do not meet either policy. Family Therapy/United Family has also increased that standard and put into place an even more strict policy which states that a BA is not to see a client if their BA certificate expires or if they have not completed the BA certification process. If they do not complete recertification or the initial BA certification in a timely manner, they are removed off of all of their cases and put on a performance improvement plan.

Regarding the citations, it appears as though there was miscommunication between Family Therapy/United Family's coordinators who staff new referrals and the administrators who collected the BA certifications. Family Therapy/United Family believes that they now have in place the proper procedures and processes to ensure that they do not assign new cases to staff who have not completed initial certification or recertification, and that BA staff who are not in compliance are restricted from seeing their clients until they have completed the certification process. Family Therapy/United Family accepts responsibility for this past oversight, and have put

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policies, procedures, and personnel in place to ensure it never happens again (See corrective action plan). With that being said, Family Therapy/United Family would dispute the notion that this placed their clients at risk of harm. In regard to the four BAs who did not complete their initial certification, all four were Masters-level students working towards becoming licensed therapists and receiving intensive trainings in their university courses, all with significant experience in working with children and families. In regard to the two BAs who performed service after their certification expired, both BAs had completed certifications in past, both had completed numerous trainings with the Department of Children and Families, and both had worked with children and families in an ethical and evidenced-based manner for many years.

You will recall that Family Therapy/United Family submitted to your office proof of training completed by one of the BAs five months prior to the date of service cited, but your office chose to reject the training because the agency had not filled out the “Core Competencies” section in the training system. The “Core Competencies” section of the training requirements is a subjective tool filled out by the agency Supervisor attesting to the skills of the BA. While this should have been completed, it does not negate the fact that the BA had completed his training requirement for recertification. Accordingly, Family Therapy/United Family believes this instance should not have been included in the extrapolation methodology. In regard to the BA who had received a new client and who Family Therapy/United Family did not submit recertification documentation, again, Family Therapy/United Family acknowledges its responsibility in assigning new cases to BAs who had not completed their recertification; Again, though, Family Therapy/United Family would like it known that this BA had numerous years of working with

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children in a caring and ethical manner, and had completed numerous trainings with the State and DCF. Family Therapy/United Family acknowledges the importance of BA trainings and certification, and have put policies and procedures in place to ensure that the regulations are strictly followed. However, Family Therapy/United Family believes that the educational and experiential background of our BAs, and the trainings and supervision they have received from our agency and the State, warrants the removal of the accusation of possibly placing its clients in harm's way.

B. Family Therapy Failed to Maintain Proof of Education for Behavioral Assistants

In this citation, the OSC is accusing Family Therapy/United Family of not having proof of education for two Behavior Assistants at the time of hire. In the audit report, the OSC states “Specifically, Family Therapy/United Family did not verify and maintain copies of diplomas or other proof of education at the time of hire. After receiving the Summary of Findings, Family Therapy/United Family subsequently requested and obtained diplomas from former BAs, highlighting its initial lapse in verifying, obtaining and retaining proof of education. By not meeting this requirement at the outset, Family Therapy/United Family increased the risk of employing BAs with inadequate education, thereby exposing Medicaid beneficiaries to services from personnel who may not have been qualified to provide care.” This accusation is false. As every single one of Family Therapy/United Family employees can attest, Family Therapy/United Family has always strictly followed State and Medicaid laws and regulations regarding the collection of proof of education and licensure prior to the start of employment. Family Therapy/United Family has a thorough and tedious onboarding process for all new employees, and

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records are maintained and kept up to date by a large group of HR administrators. In regard to this citation, Family Therapy/United Family did in fact verify and collect education background information that met CSOC and Medicaid requirements at the time of hire. In the case of Behavior Assistant [REDACTED] was hired prior to present management, in 2017. At that time, the hiring team accepted [REDACTED] contract with his Master's program for Marriage and Family Therapy at La Salle University as proof that [REDACTED] met the educational requirements. Master's programs do not admit students without a bachelor's degree. Family Therapy/United Family has a hard file of [REDACTED] record (since moved to secure electronic file as well) that has [REDACTED] agreement with his supervisor and La Salle University, as well as a checklist from previous management specifically noting that the educational requirement was met and the documents collected. In addition, Family Therapy/United Family obtained and presented [REDACTED] diploma from his bachelors program as proof to the OSC that [REDACTED] did in fact have his bachelor's degree at the time of hire.

In the second case of Behavior Assistant [REDACTED] was hired in 2010 by the former management team and left the agency in 2018. [REDACTED] proof of education was in fact collected at hire, and verified throughout her employment. The former executive team can attest to collecting [REDACTED] education background at time of hire. At the time of audit, we were unable to locate some of [REDACTED] hard file, possibly misplaced during transfer of all HR files to electronic file. The electronic file was incomplete, possibly due to errors in transfer. Family Therapy/United Family was able to obtain a copy of [REDACTED] bachelor's degree for this audit, proving that [REDACTED] did in fact meet educational requirements of the position at time of hire. In the very least, Family Therapy/United Family feels that showing proof that the BAs in question had obtained their bachelor's degree prior to

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employment is evidence that refutes the notion that Family Therapy/United Family possibly had put its clients in harms way.

Accordingly, Family Therapy/United Family rejects the theory that these two (2) instances be included in the extrapolation, or that they are not valid claims. As stated above, the BAs possessed the necessary education, the education level was verified by Family Therapy/United Family, and the service was provided.

II. Family Therapy Failed to Follow Proper Billing Practices

A. Family Therapy Billed Unsubstantiated Services and/or Maintained Inaccurate and Incomplete Records

1. For 7 of 16 claims, the hours of service on the SDED form conflicted with hours billed and paid. For example, one SDED form documented that one servicing provider rendered services on August 31, 2020, from 2:00 PM to 3:00 PM (one hour), but Family Therapy billed and was reimbursed by Medicaid for ten hours and fifteen minutes for the same service, a difference of nine hours and fifteen minutes.

Family Therapy reviewed each claim, and it does appear in fact that these claims were billed improperly. Family Therapy/United Family has a dedicated billing and administrative team who thoroughly review each claim prior to billing to ensure accuracy and completeness. Family Therapy/United Family's billers are extremely ethical and have no incentive to bill a claim in excess of what was documented by the clinician and client. In fact, one of the seven claims was billed for *less* than what should have been billed. The improper billings were clearly clerical errors, many of them with simple and clear explanations. All claims are billed in units, and each unit equals 15 minutes. When Family Therapy/United Family's billing team entered the units, they clearly added a digit by mistake to some of the claims (In the example the OSC cited above, the biller accidentally billed 41 units, instead of 4 units-Clearly adding a "1" by mistake). For others,

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they clearly mistakenly entered the amount of hours rather than the amount of units. Family Therapy/United Family's process includes a review of all remittances on Monday morning to ensure accurate billing. In these cases, for some reason Family Therapy/United Family's team missed the errors. Family Therapy/United Family understands as an agency that improper and inaccurate billing is absolutely unacceptable. Family Therapy/United Family would like to make clear that it had no knowledge of these errors, and if it had discovered them during its processes and oversight, they would have made corrections immediately. Family Therapy/United Family understands though, that it must ensure that procedures and personnel are in place to ensure improper billing does not occur or is caught immediately when they do, and take full responsibility for those claims that were billed inaccurately. Family Therapy/United Family has put into place new policies, procedures, and technology to ensure that any and all billing errors are found immediately and corrected (Please see corrective action plan).

2. For 2 of 20 claims, you allege “the supporting documentation contained conflicting information. The SDED form documented services performed virtually; however, the progress note denoted services performed in-person, which calls into question the legitimacy of the services Family Therapy billed.”

Family Therapy/United Family disputes this characterization, and has explained to your agency that in both of these cases, the clinician met both the regulations of the Children's System of Care and of Medicaid. Both of these claims were services conducted by the same clinician, and the circumstances were uncommon.

In the first instance, the clinician met with the child in the home of the Grandparents, which was documented, but since the Grandparent left the session early, the Grandparent virtually confirmed that the session had occurred. A virtual email confirmation is an acceptable method of

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verification pursuant to CSOC. The clinician attested that the Grandparents would often leave the session early, and in an effort to have the guardian sign rather than the child (as per CSOC regulations), he would have a Grandparent sign virtually. Family Therapy/United Family has provided your office with the SDED form, the virtual confirmations from the Grandparents that the sessions occurred as listed on the SDED form, and an attestation from the therapist that he met with the child in person. There are occasions when a guardian may not be available to sign an encounter form at the end of a session, e.g., the guardian became indisposed, had an illness, or was not available at the end of a session for one reason or another. When this happens, CSOC guidance is to obtain a virtual/email confirmation from the guardian, which was done in this case.

In the second instance, the clinician documented the session in-person, but, again, the verification was done virtually. This is because the clinician met with the child at the request of the child family team (the care manager and family) in the child's court ordered "host home", and the parents then joined the session virtually through teleconference. Family Therapy/United Family's guidance for its clinicians is to have the guardians join their therapy sessions with their children as frequently as possible. In this instance, it was especially important, as the clinician was working with the family and child on reunification and improving family dynamics. Guidance is also to have the guardians sign the encounter form when possible, or to note a virtual session occurred on the encounter form and obtain an electronic confirmation from the guardian. In this instance, Family Therapy/United Family's clinician went above and beyond to have the guardian confirm virtually that the session occurred.

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Accordingly, the two (2) instances described above were a combination of in-person and virtual components and appropriately billed, and these two (2) instances should not have been included as overpayments or included in the extrapolation.

3. For 6 of 16 claims, you allege “Family Therapy submitted SDED forms on which the service delivery date noted on the second page was outside of the prior authorization date (start and end date) specified on the first page of the SDED form. This discrepancy undermines the integrity of the provider attestation of page 1, as the certifying provider’s certification will not correspond to the actual service date in return, signifying that page one was not related to page two.”

Family Therapy/United Family requires strict standards be followed by all clinical staff in the completion of clinical documentation, particularly the SDED forms. Family Therapy/United Family acknowledges that in these six instances, the authorization dates were filled out either incompletely or inaccurately on page one. Family Therapy/United Family would, however, dispute the claim that this discrepancy, which was clerical in nature, undermined the integrity of the provider attestation for encounter dates listed on page two. The clinicians themselves fill out the cover sheet (page one) of the SDED form. It is our requirement that the SDED cover sheet be filled to completion and then signed by the clinician. As a way to save time, some clinicians will type in the demographic information of the child on the cover sheet (which rarely changes), as well as the authorization information (which can remain the same for up to three months), and then print out the forms as needed to bring to the families to sign when sessions are conducted. They will then sign the cover sheet and submit to the agency. In these cited cases, a clerical error occurred where the clinician either neglected to fill out the authorization section or neglected to change the authorization dates (or add the new dates) after receiving a reauthorization. They still signed the cover sheet (page one) to attest to the sessions on the second page occurred. The clinician is

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required to submit page one and page two together, and we will not accept one page without the other. In summary, the incorrect or missing authorization dates were clerical errors, and the clinicians did in fact attest to the services documented on page two. It is our position that a clerical error on the cover sheet of the SDED form should not invalidate sessions that were performed and signed off on by the guardian.

Family Therapy/United Family would also note that while we acknowledge the SDED form is extremely important and should be filled out accurately and to completion, the SDED form itself is only one of a few ways that a clinician can attest to having performed a session. The OSC cites several laws in the justification of rejecting these claims which we feel we can prove were met. Family Therapy/United Family can provide proof in the form of signed encounter forms attesting to the sessions, signed progress notes entered into the electronic record attesting to the sessions occurring, submitted invoices attesting to the sessions occurring, and official authorizations for each service date in the record, all of which prove that we have met the legal requirements for these claims: Family Therapy/United Family can provide certification from the providers that information furnished on the claim was true, accurate, and complete; Family Therapy/United Family has kept the records so that it can disclose fully the extent of services provided; Family Therapy/United Family has furnished information for such services; and they have maintained records that document the extent of services billed. In light of this, Family Therapy/United Family would ask the OSC to reconsider this citation and accept these claims.

Therefore, although there was an error on the SDED form, the underlying prior authorization dates were correct, the service dates were correct, the service was appropriately

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provided, and the claim is valid. It is not fair to suggest that an immaterial error or typo somewhere in the documentation should invalidate the entire claim. The appropriate analysis is whether the error or typo is a *material* error or misrepresentation, not an irrelevant one.

4. For 2 of 16 claims, you allege “Family Therapy provided SDED forms that were missing signatures of the servicing providers attesting that the services were rendered.”

Family Therapy/United Family again acknowledges that all SDED forms should be filled out to completion, with the cover sheet (page one) signed by the servicing clinician. Family Therapy/United Family has strict processes and procedures in place to ensure that all documentation is completed in a timely, accurate, and complete fashion. Family Therapy/United Family has numerous administrators whose sole job is to review documentation to ensure that all documentation is filled out in totality and completed in accordance with the laws and regulations of CSOC, the Division of Children and Families, and Medicaid. When a clerical error (such as forgetting to sign an encounter form) is found, the administrative team will return the form to the clinician and will not accept until it is returned and completed fully and accurately. In these two instances, the administrative team missed catching the unsigned cover sheet. That said, as mentioned above, the cover sheet of the SDED form is not the only way of attesting that a session was conducted. Family Therapy/United Family can prove that it had authorizations for each claim during the time of service. Family Therapy/United Family can also show signed invoices by the therapists in which they “attest” to providing the service. Family Therapy/United Family has a signed progress note for each claim entered into the record of the client, which also serves as an attestation. Finally, Family Therapy/United Family has the second sheet of the SDED form for each claim, which the therapist has the guardian sign for each claim date and time, and hands in

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with their invoices to get paid (a, b1, b2, b3). Accordingly, these claims are valid claims and should not be included in the overpayment or extrapolation.

5. For 2 of 16 claims, Family Therapy failed to provide SDED forms that would support the claims for which Family Therapy billed and was paid.

Family Therapy/United Family prides itself on our standard of documentation and the quality and thoroughness of record keeping and documentation review. When documentation is submitted by a clinician, the submission undergoes a rigorous review procedure in which it is reviewed by several administrators and coordinators before ever reaching billing and payroll. It is then again reviewed by billers to ensure accuracy of billing submission. When documentation is submitted, the administrative team checks the SDED form immediately to ensure the dates and times are present and confirmed accurately and completely. If an SDED form or date is missing, that session is not billed and an inquiry begins to discover the reason for the error. In your draft report, you cite an instance where the SDED form contained the wrong date of service. The service and the correct date was documented on the time sheet, but, for whatever reason, was incorrect when transposed to the SDED form. It should be noted that the wrong date on the SDED form did not result in any double-billing or extra billing, and therefore no overpayment recovery is appropriate, because the service was provided. In the second instance, Family Therapy/United Family could not find a readily available explanation for the missing encounter form, other than to assume that it was misfiled in the wrong client's file. In both instances, Family Therapy/United Family recognizes that it is unacceptable to have clerical errors in billing or to have even one missing SDED form, and take full responsibility for the citations. Family Therapy/United Family

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has taken steps to ensure that we do not make mistakes in billing or documentation storage. (Please see corrective action plan.)

**B. Family Therapy Failed to Document Services with a Progress Note
OSC found that for 1 of 213 claims, totaling \$435 in reimbursement, Family
Therapy failed to document services in a progress note.**

Family Therapy/United Family prides itself on its standard of documentation and the quality and thoroughness of record keeping and documentation review. When documentation is submitted by a clinician, the submission undergoes a rigorous review procedure in which it is reviewed by several administrators and coordinators before ever reaching billing and payroll. It is then again reviewed by billers to ensure accuracy of billing submission. If a clinician submits documentation without a progress note, that submission is returned until the progress note is entered into the record. Unfortunately, Family Therapy/United Family was unable to find the missing note cited in the audit report. Family Therapy/United Family takes responsibility for the missing progress note, and have taken steps to ensure that progress notes are completed in a timely and complete fashion.

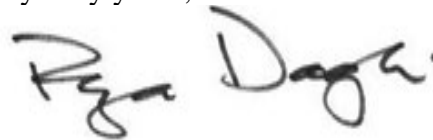
CONCLUSION

In summary, since its inception, Family Therapy/United Family has invested a great deal of money, time, technology, and hard work into ensuring that its agency remains compliant with all regulations and laws, whether they be Medicaid, Federal, State, CSOC, or licensing board regulations. Over the past several years, Family Therapy/United Family feels they have put numerous policies, procedures, and personnel in place that ensure that the clerical errors listed above do not happen. Family Therapy/United Family respects the mission of the Office the State

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Comptroller and understands that every dollar lost to overpayments, fraud and abuse is a dollar lost to the Medicaid program for eligible beneficiaries and providers. However, Family Therapy/United Family disputes that its billing resulted in overpayment, fraud or abuse. Rather, the errors, in most cases, related to clerical errors, not to material errors. Had the claims been error free, Medicaid would still have paid the same amount, because the services were provided. Nonetheless, Family Therapy/United Family recognizes the importance of accurate records and has taken steps to prevent these errors from happening in the future. As always, Family Therapy/United Family looks forward to working with your office to resolve your concerns and rectify any mistakes they have made.

Very truly yours,

A handwritten signature in black ink that reads "Riza I. Dagli". The signature is written in a cursive, slightly slanted style.

Riza I. Dagli

RID:smv
Encl.



**FAMILY THERAPY AND CONSULTATION SERVICES
AND
UNITED FAMILY SERVICES
1 Lupton Ave.
Woodbury, NJ 08096**

Web: www.FTXCS.com

Corrective Action Plan

As part of its continuing efforts to improve the quality of care provided to its clients, and in light of the recent findings of errors by the State of New Jersey - Office of the State Comptroller, Family Therapy and Consultation Services and United Family Services hereby adopt the following Corrective Action Plan.

Goal 1. Ensure all staff must understand the importance of accurate and complete documents and forms, which are necessary for claims and payments, and which are required to be maintained by regulation or law.

Specific Action: Both Family Therapy and Consultation Services and United Family Services will provide annual training on the importance of accurate and complete records, and demonstrate how all relevant forms should be filled out, the importance of each data field, including signature fields and progress notes, and the risks associated with incomplete information. The attendance of staff at the training will be recorded.

Responsible Individual: _____.

Time Frame: The first training will be in completed by ____, and continue annually thereafter.

Goal 2. Ensure clerical errors, such as typographical errors and transposed numbers, will be minimized.



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Specific Action:

Responsible Individual:

Time Frame:

Goal 3: Ensure all Behavioral Assistants maintain Training Certifications:

Specific Action:

Responsible Individual:

Time Frame:

Goal 4: Ensure that all staff educational requirements and criminal background checks have been verified:

Specific Action:

Responsible Individual:

Time Frame:

Goal 5: Develop a system to periodically spot check random claims and files for completeness.

Specific Action: At least once every six months, the personnel and onboarding files of three (3) random clinical staff will be reviewed for completeness. Additionally, at least once every six (6) months, ten (10) random client claims will be reviewed for accuracy and completeness. Any errors will be addressed, any overpayments will be refunded, and the need for additional training or additional corrective action will be assessed.



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Responsible Individual:

Time Frame:

Family Therapy and Consultation Services and United Family Services 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), Family Therapy and Consultation Services and United Family Services (Family Therapy), through counsel, submitted a response that takes issue with OSC's audit findings. In general, Family Therapy disagreed with OSC's findings; however, OSC stands by its conclusions based on the documentation and information it obtained during the audit.

Family Therapy also provided OSC with a Corrective Action Plan (CAP) indicating the steps Family Therapy will take or has taken to correct the deficiencies identified in the report but did not address whether Family Therapy would repay the identified overpayment.

Set forth below are Family Therapy's specific objections to the audit findings and OSC's responses to each. After reviewing Family Therapy's submission, OSC determined that there was no basis to revise any of its audit results. Family Therapy's full response is attached to the Final Audit Report (FAR) as Appendix A.

Family Therapy's Introduction and Objections to Extrapolation

Family Therapy's Comments

Although Family Therapy/United Family recognizes that its staff made some clerical and numerical errors, and that an overpayment recovery is appropriate, it rejects the theory that the errors can, or should be, extrapolated across the universe of claims from 2017 through 2022.

First and foremost, your extrapolation premise is flawed because it omits the thousands of claims submitted by Family Therapy/United Family to Medicaid and denied, and which amount to \$1,301,918. For example, during the period 2017 through 2022, Medicaid denied certain claims for services because it deemed that a particular beneficiary was no longer eligible for Medicaid. Accordingly, Family Therapy/United Family was not paid for those services, even though the service was provided pursuant to a prior authorization. Your audit failed to review those unpaid claims to determine whether Medicaid made a mistake which should result in a credit, or whether those claims were otherwise error-free, which would result in a much lower error rate for the universe of extrapolation. In either case, the overpayment number would be reduced.

OSC's Response

This challenge is misguided. For purposes of calculating an overpayment, OSC does not include denied claims because, by definition, such claims did not lead to payment by the Medicaid program. As such, these claims would not lead to any potential economic harm to the program for which the program would seek repayment. If Family Therapy believed that the Medicaid program improperly denied these claims, it could have followed the standard process for challenging such denials, but it did not do that. Accordingly, OSC properly did not include these claims in its extrapolation calculation.

Family Therapy's Objection to the Executive Summary

Family Therapy's Comments

Family Therapy/United Family objects to the statement "OSC's audit found that in over thirteen percent (13.14%) of the claims it reviewed, Family Therapy/United Family failed to meet Medicaid program requirements, including ones designed to protect the health and safety of Medicaid beneficiaries." Family Therapy/United Family feels this statement is unfair and misleading. While it may be true that the OSC found an error in 13.14% of their claims, Family Therapy/United Family disputes that the errors were all material errors, and certainly none of the errors related to actual risk of harm. Their policy has always been, and remains to this day, that staff cannot begin working with children and families until all onboarding documentation (including background checks and education qualifications) is submitted in full. Family Therapy/United Family prioritizes the safety of its clients and their families, and every staff member, the executive team, clinicians, directors, down through the administrative and billing team, can personally attest to the care and diligence Family Therapy/United Family puts into ensuring that their clients are provided safe, empathetic, experienced and knowledgeable staff who meet the requirements of all the relevant boards and agencies, including Medicaid. In the explanations below, Family Therapy/United Family goes into detail on what occurred and why they believe that an insinuation that they may have caused harm to their clients through negligence to be unfair and inaccurate.

OSC's Response

Family Therapy objects to OSC's statement that "in over thirteen percent (13.14%) of the claims it reviewed, Family Therapy/United Family failed to meet Medicaid program requirements, including ones designed to protect the health and safety of Medicaid beneficiaries," asserting that the identified errors did not result in actual risk of harm to beneficiaries.¹ OSC stands by its position that these errors involved requirements that are designed to protect the health and safety of beneficiaries and Family Therapy's failure to meet these requirements therefore increased the risk of harm to beneficiaries. That statement is logically sound and Family Therapy offered no argument or information to rebut it. Accordingly, OSC will not modify this portion of the Executive Summary or audit conclusions based on this finding.

Family Therapy's Objections to the Audit Findings

I. Family Therapy Failed to Follow Proper Billing Practices

A. Family Therapy's Objection: Failure to Maintain Behavioral Assistance Training Certifications for Behavioral Assistants

Family Therapy's Comments

Family Therapy/United Family is being cited for not having BA initial certification for four staff, BA recertification dated after the services date, and BA recertification expired. Family Therapy/United

¹ OSC notes that the final audit report reflects the rounded percentage of 13.15%; this revision does not affect the audit findings or conclusions.

Family's policy is and has been that BAs must complete their initial certification within six months of their hire date, and must be recertified prior to their certification expiration date. They are not to receive new cases if they do not meet either policy. Family Therapy/United Family has also increased that standard and put into place an even more strict policy which states that a BA is not to see a client if their BA certificate expires or if they have not completed the BA certification process. If they do not complete recertification or the initial BA certification in a timely manner, they are removed off of all of their cases and put on a performance improvement plan.

Regarding the citations, it appears as though there was miscommunication between Family Therapy/United Family's coordinators who staff new referrals and the administrators who collected the BA certifications. Family Therapy/United Family believes that they now have in place the proper procedures and processes to ensure that they do not assign new cases to staff who have not completed initial certification or recertification, and that BA staff who are not in compliance are restricted from seeing their clients until they have completed the certification process. Family Therapy/United Family accepts responsibility for this past oversight, and have put policies, procedures, and personnel in place to ensure it never happens again (See corrective action plan). With that being said, Family Therapy/United Family would dispute the notion that this placed their clients at risk of harm. In regard to the four BAs who did not complete their initial certification, all four were Masters-level students working towards becoming licensed therapists and receiving intensive trainings in their university courses, all with significant experience in working with children and families. In regard to the two BAs who performed service after their certification expired, both BAs had completed certifications in past, both had completed numerous trainings with the Department of Children and Families, and both had worked with children and families in an ethical and evidenced-based manner for many years.

You will recall that Family Therapy/United Family submitted to your office proof of training completed by one of the BAs five months prior to the date of service cited, but your office chose to reject the training because the agency had not filled out the "Core Competencies" section in the training system. The "Core Competencies" section of the training requirements is a subjective tool filled out by the agency Supervisor attesting to the skills of the BA. While this should have been completed, it does not negate the fact that the BA had completed his training requirement for recertification. Accordingly, Family Therapy/United Family believes this instance should not have been included in the extrapolation methodology. In regard to the BA who had received a new client and who Family Therapy/United Family did not submit recertification documentation, again, Family Therapy/United Family acknowledges its responsibility in assigning new cases to BAs who had not completed their recertification; Again, though, Family Therapy/United Family would like it known that this BA had numerous years of working with children in a caring and ethical manner, and had completed numerous trainings with the State and DCF. Family Therapy/United Family acknowledges the importance of BA trainings and certification, and have put policies and procedures in place to ensure that the regulations are strictly followed. However, Family Therapy/United Family believes that the educational and experiential background of our BAs, and the trainings and supervision they have received from our agency and the State, warrants the removal of the accusation of possibly placing its clients in harm's way.

OSC's Response

OSC found that Family Therapy improperly allowed 7 of the 30 BAs included in the audit sample selection to provide behavioral assistance services to beneficiaries without having obtained the

required initial certification within six months of their hire date and/or having obtained required re-certifications annually thereafter. In total, from this finding, Family Therapy improperly billed Medicaid for 10 of 213 claims, totaling \$956.51 in reimbursement.

Family Therapy generally agrees with OSC's findings but disputes one instance in which it asserts that proof of training was submitted for a BA who completed training five months prior to the date of service cited, but OSC rejected this because Family Therapy had not completed the "Core Competencies" section in the training system. OSC determined that this documentation did not meet Medicaid training requirements because the required "Core Competencies" section had not been completed, which Family Therapy acknowledges in its response. Although Family Therapy characterizes this section as "subjective," this section is a required component of the certification process and serves as the agency supervisor's formal verification and/or attestation of the BA's competency, skills, proficiency, and readiness to provide services. The absence of this required attestation prevents confirmation that the BA met Medicaid certification standards at the time services were rendered. Therefore, its absence is significant and justifies the inclusion of this instance as a deficiency.

Further, with respect to Family Therapy's statements regarding the education, experience, and prior training of the cited BAs, including their enrollment in master's level programs and participation in other trainings, those educational levels and experience are not substitutes for Medicaid program certification requirements. OSC found that some of Family Therapy's BAs did not obtain required certifications. Family Therapy acknowledges the importance of meeting training and certification requirements and that it failed to provide any evidence to dispute OSC's finding that some of its BAs lacked required certifications. Yet, Family Therapy still disputes OSC's finding that claims relating to these BAs are deficiencies that should be included in OSC's extrapolation. Family Therapy's argument is without merit because the Medicaid program's certification requirements serve a purpose – ensuring that BAs have met minimum training standards – and ignoring those standards would compromise the integrity of the Medicaid program. Accordingly, OSC will not modify its findings or the associated extrapolation.

B. Family Therapy's Objection: Family Therapy Failed to Maintain Proof of Education for Behavioral Assistants

Family Therapy's Comments

In this citation, the OSC is accusing Family Therapy/United Family of not having proof of education for two Behavior Assistants at the time of hire. In the audit report, the OSC states "Specifically, Family Therapy/United Family did not verify and maintain copies of diplomas or other proof of education at the time of hire. After receiving the Summary of Findings, Family Therapy/United Family subsequently requested and obtained diplomas from former BAs, highlighting its initial lapse in verifying, obtaining and retaining proof of education. By not meeting this requirement at the outset, Family Therapy/United Family increased the risk of employing BAs with inadequate education, thereby exposing Medicaid beneficiaries to services from personnel who may not have been qualified to provide care." This accusation is false. As every single one of Family Therapy/United Family employees can attest, Family Therapy/United Family has always strictly followed State and Medicaid laws and regulations regarding the collection of proof of education and licensure prior to the start of employment. Family Therapy/United Family has a thorough and tedious onboarding process for all new employees, and records are maintained and

kept up to date by a large group of HR administrators. In regard to this citation, Family Therapy/United Family did in fact verify and collect education background information that met CSOC and Medicaid requirements at the time of hire. In the case of Behavior Assistant ■■■: ■■■ was hired prior to present management, in 2017. At that time, the hiring team accepted ■■■ contract with his Master's program for Marriage and Family Therapy at La Salle University as proof that ■■■ met the educational requirements. Master's programs do not admit students without a bachelor's degree. Family Therapy/United Family has a hard file of ■■■ record (since moved to secure electronic file as well) that has ■■■ agreement with his supervisor and La Salle University, as well as a checklist from previous management specifically noting that the educational requirement was met and the documents collected. In addition, Family Therapy/United Family obtained and presented ■■■ diploma from his bachelors program as proof to the OSC that ■■■ did in fact have his bachelor's degree at the time of hire.

In the second case of Behavior Assistant ■■■: ■■■ was hired in 2010 by the former management team and left the agency in 2018. ■■■ proof of education was in fact collected at hire, and verified throughout her employment. The former executive team can attest to collecting ■■■ education background at time of hire. At the time of audit, we were unable to locate some of ■■■ hard file, possibly misplaced during transfer of all HR files to electronic file. The electronic file was incomplete, possibly due to errors in transfer. Family Therapy/United Family was able to obtain a copy of ■■■ bachelor's degree for this audit, proving that ■■■ did in fact meet educational requirements of the position at time of hire. In the very least, Family Therapy/United Family feels that showing proof that the BAs in question had obtained their bachelor's degree prior to employment is evidence that refutes the notion that Family Therapy/United Family possibly had put its clients in harms way.

Accordingly, Family Therapy/United Family rejects the theory that these two (2) instances be included in the extrapolation, or that they are not valid claims. As stated above, the BAs possessed the necessary education, the education level was verified by Family Therapy/United Family, and the service was provided.

OSC's Response

OSC found that Family Therapy failed to verify and maintain required proof of education at the time of hire for 2 of the 30 BAs included in the audit sample. Medicaid program requirements require providers to not only ensure staff meet minimum educational qualifications but also to verify and retain documentation demonstrating compliance at the outset of employment.

With respect to the first BA (a former employee), Family Therapy asserts that it met the educational requirements at the time of hire based on the individual's enrollment in a master's degree program. However, Family Therapy did not provide documentation demonstrating verification of the required educational credentials during the audit. Instead, after receiving the Summary of Findings (SOF), Family Therapy requested and obtained a copy of the BA's diploma from the former employee. By having obtained this documentation well after the time of hire, Family Therapy violated the Medicaid program requirement that the provider must verify such proof of education at the time of hire. Regarding the second BA, Family Therapy acknowledges that the individual's hard copy personnel file could not be located and that the electronic personnel file was incomplete. Although Family Therapy subsequently obtained a copy of the former BA's bachelor's degree after receiving the SOF, its inability to produce required

documentation during the audit again demonstrates a failure to retain proof of education as required.

While OSC does not dispute that the BAs ultimately possessed the requisite educational credentials, the relevant Medicaid program requirements place responsibility on the provider to verify and maintain documentation of those qualifications at the time of hire. When required documentation is not available, OSC cannot confirm that educational requirements were properly verified at the time services were rendered. Accordingly, OSC determined that both instances were properly included in the audit findings and extrapolation methodology. Therefore, OSC will not modify its findings.

II. Family Therapy Failed to Follow Proper Billing Practices

A. Family Therapy's Objection: Billing Unsubstantiated Services and/or Maintained Inaccurate and Incomplete Records

Family Therapy's Comments

For 7 of 16 claims, the hours of service on the SDED form conflicted with hours billed and paid. For example, one SDED form documented that one servicing provider rendered services on August 31, 2020, from 2:00 PM to 3:00 PM (one hour), but Family Therapy billed and was reimbursed by Medicaid for ten hours and fifteen minutes for the same service, a difference of nine hours and fifteen minutes.

Family Therapy reviewed each claim, and it does appear in fact that these claims were billed improperly. Family Therapy/United Family has a dedicated billing and administrative team who thoroughly review each claim prior to billing to ensure accuracy and completeness. Family Therapy/United Family's billers are extremely ethical and have no incentive to bill a claim in excess of what was documented by the clinician and client. In fact, one of the seven claims was billed for *less* than what should have been billed. The improper billings were clearly clerical errors, many of them with simple and clear explanations. All claims are billed in units, and each unit equals 15 minutes. When Family Therapy/United Family's billing team entered the units, they clearly added a digit by mistake to some of the claims (In the example the OSC cited above, the biller accidentally billed 41 units, instead of 4 units-Clearly adding a "1" by mistake). For others, they clearly mistakenly entered the amount of hours rather than the amount of units. Family Therapy/United Family's process includes a review of all remittances on Monday morning to ensure accurate billing. In these cases, for some reason Family Therapy/United Family's team missed the errors. Family Therapy/United Family understands as an agency that improper and inaccurate billing is absolutely unacceptable. Family Therapy/United Family would like to make clear that it had no knowledge of these errors, and if it had discovered them during its processes and oversight, they would have made corrections immediately. Family Therapy/United Family understands though, that it must ensure that procedures and personnel are in place to ensure improper billing does not occur or is caught immediately when they do, and take full responsibility for those claims that were billed inaccurately. Family Therapy/United Family has put into place new policies, procedures, and technology to ensure that any and all billing errors are found immediately and corrected (Please see corrective action plan).

OSC's Response

OSC found that for 7 of 16 claims reviewed, the hours of service documented on the SDED forms conflicted with the hours billed to and paid by Medicaid. Family Therapy reviewed these claims and agreed that the billings were inaccurate, attributing the discrepancies to clerical errors.

Regardless of an individual Family Therapy employee's intent or the explanation provided by Family Therapy's management, Medicaid regulations require that claims submitted for reimbursement accurately reflect the services documented and provided. Errors resulting from data entry mistakes, miscalculation of units, or billing process failures remain noncompliant billings. The existence of internal review processes or subsequent corrective actions does not negate the fact that inaccurate claims were submitted and reimbursed.

Given OSC's determination that Family Therapy improperly billed the identified claims and Family Therapy's acknowledgement of these errors, Family Therapy did not provide any basis to modify these findings. Therefore, OSC will not modify its audit findings.

Family Therapy's Comments

For 2 of 20 claims, you allege "the supporting documentation contained conflicting information. The SDED form documented services performed virtually; however, the progress note denoted services performed in-person, which calls into question the legitimacy of the services Family Therapy billed." Family Therapy/United Family disputes this characterization, and has explained to your agency that in both of these cases, the clinician met both the regulations of the Children's System of Care and of Medicaid. Both of these claims were services conducted by the same clinician, and the circumstances were uncommon.

In the first instance, the clinician met with the child in the home of the Grandparents, which was documented, but since the Grandparent left the session early, the Grandparent virtually confirmed that the session had occurred. A virtual email confirmation is an acceptable method of verification pursuant to CSOC. The clinician attested that the Grandparents would often leave the session early, and in an effort to have the guardian sign rather than the child (as per CSOC regulations), he would have a Grandparent sign virtually. Family Therapy/United Family has provided your office with the SDED form, the virtual confirmations from the Grandparents that the sessions occurred as listed on the SDED form, and an attestation from the therapist that he met with the child in person. There are occasions when a guardian may not be available to sign an encounter form at the end of a session, e.g., the guardian became indisposed, had an illness, or was not available at the end of a session for one reason or another. When this happens, CSOC guidance is to obtain a virtual/email confirmation from the guardian, which was done in this case.

In the second instance, the clinician documented the session in-person, but, again, the verification was done virtually. This is because the clinician met with the child at the request of the child family team (the care manager and family) in the child's court ordered "host home", and the parents then joined the session virtually through teleconference. Family Therapy/United Family's guidance for its clinicians is to have the guardians join their therapy sessions with their children as frequently as possible. In this instance, it was especially important, as the clinician was working with the family and child on reunification and improving family dynamics. Guidance is also to have the guardians sign the encounter form when possible, or to note a virtual session

occurred on the encounter form and obtain an electronic confirmation from the guardian. In this instance, Family Therapy/United Family's clinician went above and beyond to have the guardian confirm virtually that the session occurred.

Accordingly, the two (2) instances described above were a combination of in-person and virtual components and appropriately billed, and these two (2) instances should not have been included as overpayments or included in the extrapolation.

OSC's Response

OSC found that for two of the initially reviewed claims, the supporting documentation contained conflicting information, as the SDED forms indicated services were provided virtually while the corresponding progress notes indicated services were provided in-person. For these two claims, Family Therapy submitted additional documentation that included email confirmations from the guardians, as required by DCF. OSC accepted the email confirmation documentation, and accordingly, these claims were not included in the extrapolation methodology.

During the audit, OSC also identified two additional claims that were misclassified prior to the issuance of the Draft Audit Report (DAR) and should have been categorized as a conflicting documentation (in-person/virtual) finding. OSC communicated this clarification to Family Therapy on August 6, 2025, prior to the issuance of the DAR. In response, Family Therapy submitted documentation that consisted solely of provider attestations, without any corresponding guardian email confirmations for these claims. As a result, OSC was unable to verify the services and denied these claims.

Family Therapy's rebuttal addresses the two claims that were accepted and excluded from the extrapolation, rather than the two claims that remain unsupported and were denied. Because the denied claims lacked verification documentation, OSC determined that they were appropriately included in the audit findings. Accordingly, OSC will not modify its audit findings.

Family Therapy's Comments

For 6 of 16 claims, you allege "Family Therapy submitted SDED forms on which the service delivery date noted on the second page was outside of the prior authorization date (start and end date) specified on the first page of the SDED form. This discrepancy undermines the integrity of the provider attestation of page 1, as the certifying provider's certification will not correspond to the actual service date in return, signifying that page one was not related to page two."

Family Therapy/United Family requires strict standards be followed by all clinical staff in the completion of clinical documentation, particularly the SDED forms. Family Therapy/United Family acknowledges that in these six instances, the authorization dates were filled out either incompletely or inaccurately on page one. Family Therapy/United Family would, however, dispute the claim that this discrepancy, which was clerical in nature, undermined the integrity of the provider attestation for encounter dates listed on page two. The clinicians themselves fill out the cover sheet (page one) of the SDED form. It is our requirement that the SDED cover sheet be filled to completion and then signed by the clinician. As a way to save time, some clinicians will type in the demographic information of the child on the cover sheet (which rarely changes), as well as the authorization information (which can remain the same for up to three months), and then print

out the forms as needed to bring to the families to sign when sessions are conducted. They will then sign the cover sheet and submit to the agency. In these cited cases, a clerical error occurred where the clinician either neglected to fill out the authorization section or neglected to change the authorization dates (or add the new dates) after receiving a reauthorization. They still signed the cover sheet (page one) to attest to the sessions on the second page occurred. The clinician is required to submit page one and page two together, and we will not accept one page without the other. In summary, the incorrect or missing authorization dates were clerical errors, and the clinicians did in fact attest to the services documented on page two. It is our position that a clerical error on the cover sheet of the SDED form should not invalidate sessions that were performed and signed off on by the guardian.

Family Therapy/United Family would also note that while we acknowledge the SDED form is extremely important and should be filled out accurately and to completion, the SDED form itself is only one of a few ways that a clinician can attest to having performed a session. The OSC cites several laws in the justification of rejecting these claims which we feel we can prove were met. Family Therapy/United Family can provide proof in the form of signed encounter forms attesting to the sessions, signed progress notes entered into the electronic record attesting to the sessions occurring, submitted invoices attesting to the sessions occurring, and official authorizations for each service date in the record, all of which prove that we have met the legal requirements for these claims: Family Therapy/United Family can provide certification from the providers that information furnished on the claim was true, accurate, and complete; Family Therapy/United Family has kept the records so that it can disclose fully the extent of services provided; Family Therapy/United Family has furnished information for such services; and they have maintained records that document the extent of services billed. In light of this, Family Therapy/United Family would ask the OSC to reconsider this citation and accept these claims.

Therefore, although there was an error on the SDED form, the underlying prior authorization dates were correct, the service dates were correct, the service was appropriately provided, and the claim is valid. It is not fair to suggest that an immaterial error or typo somewhere in the documentation should invalidate the entire claim. The appropriate analysis is whether the error or typo is a *material* error or misrepresentation, not an irrelevant one.

OSC's Response

OSC found that for 6 of the 16 claims reviewed, Family Therapy submitted SDED forms in which the service delivery date noted on the second page was outside of the prior authorization date (start and end date) recorded on the first page of the SDED form. As a result, the information certified by the servicing provider on page one did not correspond to the actual date of service recorded on page two.

Family Therapy acknowledges that, for these six claims, the authorization dates on page one were incomplete or inaccurate and attributes these discrepancies to clerical errors related to pre-populating form fields. However, regardless of the reason for the error, the provider's signature on page one serves as an attestation that the services documented on the form were rendered during the authorized period by a qualified servicing provider. When the authorization dates on page one do not align with the service date on page two, OSC cannot confirm that the attestation applies to the documented encounter. In these instances, in which page one does not correspond

to page two, OSC cannot confirm whether the servicing provider verified, before rendering service, that they were qualified and authorized to render services for the documented date of service.

Although Family Therapy asserts that other documentation exists to support that services were authorized and rendered, Medicaid regulations require that the SDED form itself be true, accurate, and complete. The SDED form is the required document used to verify that services were delivered within the authorized period and that the certifying provider's attestation applies to the specific date of service.

Accordingly, OSC determined that the identified claims were appropriately included in the audit findings. Therefore, OSC will not modify its audit findings.

Family Therapy's Comments

For 2 of 16 claims, you allege "Family Therapy provided SDED forms that were missing signatures of the servicing providers attesting that the services were rendered."

Family Therapy/United Family again acknowledges that all SDED forms should be filled out to completion, with the cover sheet (page one) signed by the servicing clinician. Family Therapy/United Family has strict processes and procedures in place to ensure that all documentation is completed in a timely, accurate, and complete fashion. Family Therapy/United Family has numerous administrators whose sole job is to review documentation to ensure that all documentation is filled out in totality and completed in accordance with the laws and regulations of CSOC, the Division of Children and Families, and Medicaid. When a clerical error (such as forgetting to sign an encounter form) is found, the administrative team will return the form to the clinician and will not accept until it is returned and completed fully and accurately. In these two instances, the administrative team missed catching the unsigned cover sheet. That said, as mentioned above, the cover sheet of the SDED form is not the only way of attesting that a session was conducted. Family Therapy/United Family can prove that it had authorizations for each claim during the time of service. Family Therapy/United Family can also show signed invoices by the therapists in which they "attest" to providing the service. Family Therapy/United Family has a signed progress note for each claim entered into the record of the client, which also serves as an attestation. Finally, Family Therapy/United Family has the second sheet of the SDED form for each claim, which the therapist has the guardian sign for each claim date and time, and hands with their invoices to get paid (a, b1, b2, b3). Accordingly, these claims are valid claims and should not be included in the overpayment or extrapolation.

OSC's Response

OSC found that for 2 of the 16 claims reviewed, Family Therapy provided SDED forms that were missing the servicing providers' signatures attesting to the fact that the services were rendered. Family Therapy does not dispute that the required signatures were missing and attributes the omission to clerical oversight.

It should be noted, the SDED form serves not only to document the provision of services, but also to capture the servicing provider's contemporaneous attestation that the services were rendered and that the servicing provider was qualified and authorized to deliver those services on the documented date of service. The absence of the servicing provider's signature means that the

servicing provider did not certify that they rendered the services or that they possessed the minimum credentials required to provide those services. Accordingly, Family Therapy submitted these claims without having contemporaneous evidence that the servicing provider performed the services for the noted date of service.

Although Family Therapy asserts that other documentation exists to demonstrate that services occurred, such as progress notes, invoices, or guardian signatures, these records do not substitute for the specific requirement that the servicing provider certify the encounter by signing page one of the SDED form. Medicaid requires that the SDED form itself be complete and properly executed to support billing.

Accordingly, OSC determined that the identified claims were appropriately included in the audit findings. As such, OSC will not modify its audit findings.

Family Therapy's Comments

For 2 of 16 claims, Family Therapy failed to provide SDED forms that would support the claims for which Family Therapy billed and was paid.

Family Therapy/United Family prides itself on our standard of documentation and the quality and thoroughness of record keeping and documentation review. When documentation is submitted by a clinician, the submission undergoes a rigorous review procedure in which it is reviewed by several administrators and coordinators before ever reaching billing and payroll. It is then again reviewed by billers to ensure accuracy of billing submission. When documentation is submitted, the administrative team checks the SDED form immediately to ensure the dates and times are present and confirmed accurately and completely. If an SDED form or date is missing, that session is not billed and an inquiry begins to discover the reason for the error. In your draft report, you cite an instance where the SDED form contained the wrong date of service. The service and the correct date was documented on the time sheet, but, for whatever reason, was incorrect when transposed to the SDED form. It should be noted that the wrong date on the SDED form did not result in any double-billing or extra billing, and therefore no overpayment recovery is appropriate, because the service was provided. In the second instance, Family Therapy/United Family could not find a readily available explanation for the missing encounter form, other than to assume that it was misfiled in the wrong client's file. In both instances, Family Therapy/United Family recognizes that it is unacceptable to have clerical errors in billing or to have even one missing SDED form, and take full responsibility for the citations. Family Therapy/United Family has taken steps to ensure that we do not make mistakes in billing or documentation storage. (Please see corrective action plan.)

OSC's Response

OSC found that for 2 of the 16 claims reviewed, Family Therapy failed to provide SDED forms that would support the claims at issue.

For the first instance, although Family Therapy asserts that the service and correct date of service were documented elsewhere (e.g., timesheet), the required SDED form corresponding to the sampled date of service was not provided. Medicaid requires that an SDED form be maintained

to support each billed encounter, and documentation maintained outside of the SDED form does not provide a substitute for this requirement.

For the second instance, Family Therapy was unable to locate an SDED form for the sampled date of service and attributes the absence to a potential administrative filing error. In addition, the corresponding progress note for the claim was missing. The absence of both required documents prevents OSC from verifying that the service was rendered and properly supported in accordance with Medicaid requirements.

While Family Therapy acknowledges the documentation deficiencies and describes corrective actions implemented after the audit period, these actions do not negate the noncompliance identified during the audit. Accordingly, OSC determined that both claims were unsupported and appropriately included in the audit findings. As such, OSC will not modify its audit findings.

B. Family Therapy's Objection: Failed to Document Services with a Progress Note

Family Therapy's Comments

Family Therapy Failed to Document Services with a Progress Note OSC found that for 1 of 213 claims, totaling \$435 in reimbursement, Family Therapy failed to document services in a progress note.

Family Therapy/United Family prides itself on its standard of documentation and the quality and thoroughness of record keeping and documentation review. When documentation is submitted by a clinician, the submission undergoes a rigorous review procedure in which it is reviewed by several administrators and coordinators before ever reaching billing and payroll. It is then again reviewed by billers to ensure accuracy of billing submission. If a clinician submits documentation without a progress note, that submission is returned until the progress note is entered into the record. Unfortunately, Family Therapy/United Family was unable to find the missing note cited in the audit report. Family Therapy/United Family takes responsibility for the missing progress note, and have taken steps to ensure that progress notes are completed in a timely and complete fashion.

OSC's Response

OSC found that for one of the claims Family Therapy failed to document services in a required progress note. Family Therapy does not dispute this finding and acknowledges that the progress note could not be located.

While Family Therapy describes its documentation review processes and corrective actions implemented after the audit period, the absence of a required progress note for the sampled date of service results in incomplete documentation that does not meet Medicaid requirements. As such, OSC will not modify its audit finding.