



State of New Jersey

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OFFICE OF THE STATE COMPTROLLER
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KEVIN D. WALSH
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JOSH LICHTBLAU
Director

January 13, 2021

BY ELECTRONIC MAIL

George Richards, Chief Executive Officer/Chief Financial Officer
Archway Programs, Inc.
280 Jackson Rd.
Atco, NJ 08004

Re: Final Audit Report – Archway Programs, Inc. [REDACTED]

Dear Mr. Richards:

As part of its oversight of the Medicaid and New Jersey FamilyCare programs (Medicaid), the New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD) audited claims submitted by Archway Programs, Inc. (Archway), National Provider Identification Number [REDACTED] and Medicaid Provider Number [REDACTED] for the period from August 1, 2014 through March 31, 2019 (audit period). MFD hereby provides you with this Final Audit Report (FAR).

Executive Summary

MFD conducted this audit to determine whether Archway billed for partial-care services in accordance with applicable state and federal laws, regulations, and guidance. MFD statistically selected a sample of 192 partial-care claims totaling \$13,932 from a universe of 106,942 claims totaling \$7,913,488 billed under New Jersey local procedure code Z0170. MFD found that 108 of the 192 claims (56.3 percent) totaling \$2,291 in Medicaid funds paid to Archway failed to comply with one or more of the following: *N.J.A.C. 10:66-2.7*, and the Department of Human Services, Division of Medical Assistance and Health Services (DMAHS) Newsletter, Vol. 14 No. 42 (June 2004). Specifically, MFD found that Archway's documentation for these 108 claims did not fully support the number of units (hours) billed for partial-care services. To ascertain the amount that Archway overbilled for partial-care claims billed under New Jersey local procedure code Z0170, MFD extrapolated the \$2,276 net adjusted dollars in error for the claims that failed to comply

with applicable regulations to the universe of claims from which the sample claims was drawn, which in this case was 106,942 claims with a total Medicaid reimbursement amount of \$7,913,488. By extrapolating the net adjusted dollars in error to this universe of claims/reimbursed amount, MFD calculated that Archway received an overpayment totaling \$1,311,001 for partial care services billed under code Z0170.

Background

Archway, located in Atco, NJ, is a private not-for-profit mental health and substance abuse facility. Archway offers three partial-care programs, Adult Counseling and Therapy (ACT), Hope, and Discover. The ACT program offers partial-care services Monday through Thursday from 8:30 am to 3:00 pm to adults 18 years of age and older; the Hope and Discover programs offer partial-care services to children and adolescents between the ages of 5 and 18. The Hope and Discover programs are offered Monday through Friday after school from 3:00 pm to 8:30 pm, except during the summer, when both programs run from 12:30 pm to 6:30 pm. Archway's partial-care programs are all subject to Title 10, Chapter 66. See *N.J.A.C. 10:66-1.1 et seq.*¹

Partial-care programs are administered primarily by the Division of Mental Health and Addiction Services (DMHAS), within the New Jersey Department of Human Services. These programs provide individualized outpatient clinical services (*e.g.*, group and individual therapy, prevocational services, and medication management) to beneficiaries ages five and older with a primary diagnosis of psychiatric disorder accompanied by an impaired ability to perform activities of daily living, learning, working, or social roles. Pursuant to regulation, among other requirements, partial-care service providers are required to: (1) provide mental health services by, or under the direction of, a psychiatrist; (2) perform a comprehensive intake evaluation; (3) develop and periodically review a written, individualized plan of care for each Medicaid beneficiary; (4) maintain written documentation to support each medical/remedial therapy service, activity, or session for which billing is made; (5) document individual services on a daily basis; and (6) write progress notes documenting the services provided at least once per week. See *N.J.A.C. 10:66-2.7*. To support partial-care services, documentation must include the specific services rendered, date and time of each service, service duration, signature of the practitioner who rendered the service, the setting in which services were rendered, as well as notation of unusual occurrences or significant deviations from the treatment described in the plan of care. See *N.J.A.C. 10:66-2.7(l)(1)(i)-(vi)*. In addition, partial-care providers must document on a daily basis the individual services provided to beneficiaries. See *N.J.A.C. 10:66-2.7(l)* and DMAHS Newsletter, Vol. 14 No. 42.

¹ The adult program is also subject to Title 10, Chapter 37F. See *N.J.A.C. 10:37F-1.1 et seq.*, while the children's programs are also subject to Title 3A, Chapter 58. See *N.J.A.C. 3A:58-1.1 et seq.*

Objective

The objective of this audit was to determine whether Archway appropriately billed for services, under New Jersey local procedure code Z0170, in accordance with state and federal laws and regulations, and state guidance, including whether Archway maintained adequate documentation to support the services it billed and for which it was paid.

Scope

The audit scope entailed a review of Archway's Medicaid claims for partial-care services from August 1, 2014 through March 31, 2019. This audit was conducted pursuant to OSC's authority as set forth in *N.J.S.A. 52:15C-23* and the *Medicaid Program Integrity and Protection Act, N.J.S.A. 30:4D-53 et seq.*

Audit Methodology

MFD's methodology consisted of the following:

- Selected a statistically valid random sample of 192 claims (123 Medicaid beneficiaries associated with these claims) billed by Archway under code Z0170 totaling \$13,932 paid to Archway.
- Reviewed Archway's records supporting the 192 claims to determine whether the documentation provided complied with the requirements of *N.J.A.C. 10:49-9.8*, *N.J.A.C. 10:66-2.7*, and DMAHS Newsletter, Vol. 14 No. 42.

Audit Findings

A. Identified Deficiencies Regarding New Jersey Local Procedure Code Z0170 for Partial Care, Per Hour

MFD reviewed a statistically selected sample of 192 claims for local procedure Code Z0170 that Archway billed and for which Archway was paid by Medicaid.² MFD found that Archway billed incorrectly for 109 out of 192 sample claims. For 108 out of the 109 incorrectly billed sample claims, totaling \$2,291, MFD determined that Archway billed and was paid for a greater number of service units than were supported by Archway's documentation. For the one remaining claim, MFD determined that Archway underbilled a total of \$15. To accurately reflect this under payment, MFD adjusted the \$2,291 overpayment amount by \$15, resulting in a net overpayment amount of \$2,276. By doing so, this underbilled amount was carried through extrapolation. For the 108 incorrectly

² Of the 192 sampled claims, 93 claims were associated with services provided to the participants of the ACT program while 99 claims related to the participants of Hope and Discover programs.

billed claims, 92 claims were associated with the ACT program, while 16 were associated with the Hope and Discover programs (See Exhibit A1 and Exhibit A2). See Table I below for a breakdown by claim type exception and a calculation of the net adjusted dollars in error of these claims.

Table I
Archway Claims Billed in Error

Description	Number of Claims			Dollar Amount of Claims		
	Hope and Discover	ACT	Total	Hope and Discover	ACT	Total
Sampled Claims	99	93	192	\$6,422	\$7,510	\$13,932
Claim Exception Type:						
Non-Billable Meal Time	3	83	86	\$46	\$1,366	\$1,412
No Documentation Provided	3	1	4	\$216	\$89	\$305
Documentation Did Not Support Minimum of Two Service Units	2	0	2	\$123	\$0	\$123
Documentation Did Not Support Service Units Billed	8	8	16	\$154	\$297	\$451
Total Claims Overbilled	16	92	108	\$539	\$1,752	\$2,291
Total Claims Underbilled	1	0	1	(\$15)	\$0	(\$15)
Claims in Error and Net Adjusted Dollars in Error	17	92	109	\$524	\$1,752	\$2,276

For ACT program participants, Archway required program participants to sign their name and check off their arrival time on the Facility Sign In/Out Sheet when they arrived. Archway's staff signed out for these participants on the Facility Sign In/Out Sheet when participants departed from the facility.³ In addition, Archway's staff recorded attendance for ACT program participants at the first group session, which is referred to as a Community Meeting, on a Program Attendance Sheet. For subsequent ACT program group sessions, Archway's counselors recorded participants' attendance on Group Sign In-Sheets.

For Hope and Discover program participants, Archway's staff recorded their entrance and exit to and from the facility on the Facility Sign In/Out Sheet. To track active program attendance for Hope and Discover program participants, Archway utilized a weekly pre-

³ A Facility Sign In/Out Sheet is a daily pre-printed attendance sheet indicating the arrival and departure time of each participant arriving and departing from the facility.

printed Daily Progress Note, with room for entries for each day of the week, on which counselors recorded daily session attendance and each participant's level of participation.

In summary, to document arrivals to and departures from Archway for all participants (ACT, Hope and Discover), Archway utilized the Facility Sign In/Out Sheets. To document attendance at programming for ACT participants, Archway recorded attendance at the initial session (Community Meeting) on a Program Attendance Sheet and at subsequent sessions using the Group Sign-In Sheets. To document attendance at programming for Hope and Discover participants, Archway recorded attendance on the Daily Progress Note sheets. Accordingly, the daily documentation for each participant's active programming consisted of a Facility Sign In/Out Sheet and, depending on the program participation, either a Program Attendance Sheet along with Group Sign-In Sheet for ACT participants, or a Daily Progress Note for Hope and Discover participants. MFD reviewed these documents to calculate the amount of time each participant was present during active programming.

MFD determined that in 86 out of the 108 deficient claims, Archway billed for active programming during meal time, which is not permitted. According to *N.J.A.C. 10:66-2.7(d)*, Archway is only permitted to bill for the time each participant spent in active programming, exclusive of meals. In total, after adjusting the billable units, MFD found that Archway overbilled 86 claims totaling \$1,412.

In addition, MFD found that in 22 of the 108 claims, Archway billed and was paid for more units than its documentation supported. In some of these instances, Archway's documentation showed that participants attended some but not all of the sessions for which Archway billed and was paid. Specifically, in four claims Archway failed to provide active programming documentation to MFD. In another two claims, Archway provided documentation that supported fewer than the minimum of two service units permitted for billing purposes. Further, Archway's documentation for the remaining 16 claims did not fully support the number of units billed. In instances when the number of units of active programming was fractional, as required by the state guidance discussed below, MFD rounded down the units to the lower whole number in order to determine the proper number of units that Archway should have billed Medicaid. In total, MFD denied 6 claims, totaling \$428, and adjusted the remaining 16 claims, totaling \$451, to reflect the proper number of units to be billed in accordance with *N.J.A.C. 10:66-2.7(d)*; *N.J.A.C. 10:66-2.7(l)*; and DMAHS Newsletter, Vol. 14 No.42.

According to *N.J.A.C. 10:66-2.7(d)*:

For purposes of partial care, full day means five or more hours of participation in active programming exclusive of meals, breaks and transportation; half day means at least three hours but less than five hours of participation in active programming exclusive of meals, breaks and transportation. The smallest unit of partial care that may be prior authorized

by NJ Medicaid/FamilyCare is one hour, with a minimum of two hours per day and a maximum of five hours per day.

According to *N.J.A.C. 10:66-2.7(l)*:

The mental health clinic shall develop and maintain legibly written documentation to support each medical/remedial therapy service, activity, or session for which billing is made.

1. This documentation, at a minimum, shall consist of:
 - i. The specific services rendered, such as individual psychotherapy, group psychotherapy, family therapy, etc., and a description of the encounter itself. The description shall include, but is not limited to, a statement of patient progress noted, significant observations noted, etc.;
 - ii. The date and time that services were rendered;
 - iii. The duration of services provided;
 - iv. The signature of the practitioner or provider who rendered the services;
 - v. The setting in which services were rendered; and
 - vi. A notation of unusual occurrences or significant deviations from the treatment described in the plan of care.

Lastly, in accordance with DMAHS Newsletter, Vol. 14 No. 42:

Units of service of partial care services must be provided for a minimum of two hours and a maximum of five hours per day. If a claim is submitted for less than two hours or more than five hours, the claim will be denied by Error Code 374, 'Reported Service Units must be greater than 1 and less than 6.' In those instances, which the number of hours of services provided is fractional (for example, 2.5 hours), the provider must 'round-down' the units reported to the lower whole number (2 hours).

B. Additional Findings of Non-Compliance

MFD attempted to review all of the Group Sign In/Out Sheets associated with the 93 sample ACT program claims, and all of the Daily Progress Notes associated with the 99 Hope and Discover program claims, to determine whether these forms contained the date,

duration of the service and practitioner's signature. MFD identified the following exceptions relating to these documents:

- Archway did not provide three Daily Progress Notes to support billing for three Hope and Discover claims. Therefore, MFD could not confirm whether these documents existed and, if so, whether they contained the date, duration of the service, and practitioner's signature, which are required by *N.J.A.C. 10:66-2.7(l)*. MFD is not seeking a recovery for these claims as they are already included for recovery in the Identified Deficiencies Regarding New Jersey Local Procedure Code Z0170 for Partial Care, Per Hour section of this report; however, Archway should maintain this documentation in accordance with *N.J.A.C. 10:49-9.8(b)*. (See Exhibit B).
- 372 Group Sign-In Sheets for all 93 (100 percent) ACT claims did not contain the counselor's signature as required by *N.J.A.C. 10:66-2.7(l)*. MFD is not seeking a monetary recovery for these 93 exceptions because MFD was reasonably assured based on its review of the other documentation that Archway provided the partial-care services; however, Archway should maintain this documentation in accordance with *N.J.A.C. 10:49-9.8(b)*. (See Exhibit C).
- MFD's review of Daily Progress Notes for Hope and Discover claims, revealed that for 13 of the 99 claims, participants were marked as attending group sessions before their recorded arrival time. In addition, for 6 of the 99 claims, participants were marked attending group sessions, after their recorded departure time. MFD is not seeking a recovery for these claims as they are already included in the Identified Deficiencies Regarding New Jersey Local Procedure Code Z0170 for Partial Care, Per Hour section of this report; however, Archway should maintain accurate documentation in accordance with *N.J.A.C. 10:49-9.8(b)*. (See Exhibit D).
- MFD's review of Group Sign In/Out Sheets for ACT program revealed that participants were signed in to multiple groups sessions offered during the same time. To account for the possibility of excessive number of units billed, MFD made the appropriate adjustment within its analysis and, thus, is not seeking any additional recovery for these claims. Archway should ensure that it accurately records attendance at group sessions in accordance with *N.J.A.C. 10:66-2.7(l)*. (See Exhibit E).

According to *N.J.A.C. 10:66-2.7 (l)*, "[t]he mental health clinic shall develop and maintain legibly written documentation to support each medical/remedial therapy service, activity, or session for which billing is made." As set forth fully above, this regulation requires documentation to support claims including, but not limited to, the type of service rendered, a description of the encounter, the date and time services were rendered, the duration of the services, and the signature of the practitioner or provider who rendered the services.

Providers are required to keep records in accordance with *N.J.A.C. 10:49-9.8(b)*, which provides, in part:

(b) Providers shall agree to the following:

1. To keep such records as are necessary to disclose fully the extent of services provided, and, as required by N.J.S.A. 30:4D-12(d), to retain individual patient records for a minimum period of five years from the date the service was rendered;
2. To furnish information for such services as the program may request;
3. That where such records do not document the extent of services billed, payment adjustments shall be necessary

Summary of Overpayments

Based on its review, MFD determined that Archway improperly billed and received payment for 108 out of 192 sample claims for New Jersey local procedure code Z0170 for the period August 1, 2014 through March 31, 2019. Archway received a net overpayment of \$2,276 for these claims. For purposes of ascertaining a final recovery amount, MFD extrapolated the dollars in error for deficient claims (including credit for the underbilled claim) to the total population from which the sample claims were drawn. In this case, the universe consisted of 106,942 claims with a total payment to Archway of \$7,913,488. By extrapolating the sample of deficient claims to this universe of claims/reimbursed amount, MFD calculated that Archway received an overpayment for partial-care services billed under New Jersey local procedure code Z0170 that totaled \$1,311,001 that it must repay to the Medicaid program.⁴

Recommendations

Archway shall:

1. Reimburse the Medicaid Program the overpayment amount of \$1,311,001.
2. Develop and institute procedures to ensure that mealtime is not included in Archway's calculation of billable hours for active programming.

⁴ MFD can reasonably assert, with 90% confidence, that the true overpayment falls between \$1,144,041 and \$1,477,961 with the most likely overpayment (i.e., error point estimate) being \$1,311,001.

3. Maintain documentation that fully supports the number of units billed for partial-care services under code Z0170. Specifically, Archway's documentation should contain, among other elements, the specific services rendered, the date and time the services were rendered, the duration of services provided, and the signature of the practitioner who rendered the services.
4. Develop and institute procedures to ensure accurate attendance records so that participants are not marked as attending group sessions prior to their recorded arrival time or after their recorded departure time.
5. Develop and institute procedures to ensure accurate documentation so that participants are not shown as signed into multiple group sessions simultaneously, unless it is documented that a participant moved from one session to another during the same time period for a legitimate reason.
6. Provide MFD with a Corrective Action Plan (CAP) indicating the steps Archway will take to implement procedures to correct the deficiencies identified in this report.

Archway's Response to the Audit Report Findings and MFD's Comments

After receipt of MFD's Draft Audit Report, Archway, through counsel, submitted a written response and Corrective Action Plan (*See Appendix A*). In this response, Archway objected to MFD's audit findings, sampling methodology, and extrapolation process. MFD addresses each argument raised by Archway in Appendix B, entitled "Archway's Comments and MFD's Response."

After carefully reviewing each of Archway's arguments and its supplemental documentation, MFD gave credit in those circumstances where Archway provided reliable support for active programming claims. For the majority of the claims at issue, however, MFD did not modify its findings. Archway's Corrective Action Plan addresses some of MFD's recommendations, but fails to ensure that mealtime is not included in Archway's calculation of billable hours for active programming. Accordingly, Archway must immediately discontinue including mealtime in billable hours for active programming and provide MFD with the corrective actions it will take to comply with this requirement.

George Richards, Chief Executive Officer/Chief Financial Officer
Archway Programs, Inc.
January 13, 2021
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Thank you for your attention to this matter.

Sincerely,

KEVIN D. WALSH
ACTING STATE COMPTROLLER

By: /s/Josh Lichtblau
Director
Medicaid Fraud Division

c: John W. Leardi, Esq., Buttaci Leardi & Werner

Attachments:

Exhibit A1 - Overbilling of Units – Hope and Discover
Exhibit A2 - Overbilling of Units –ACT
Exhibit B - Schedule of Documents with Unconfirmed Date, Service Duration and
Practitioner's Signature – Hope and Discover
Exhibit C - Schedule of Group Sign In Sheets without Practitioner's Signature - ACT
Exhibit D - Schedule of Classes Attended Beyond Participant's Arrival/Departure Time-
Hope and Discover
Exhibit E - Schedule of Participants Signed Into Multiple Group Sessions Offered
During the Same Time – ACT
Appendix A – Archway's Response to Draft Audit Report
Appendix B – Archway's Comments and MFD's Response

Tickmark Legend

NV - Document Not Provided

D - Marked Dinner Time

[illegible]

**Archway Programs Inc. - Hope and Discover Programs
Overbilling Of Units Of Partial Care Services**

Source: Meal Distribution Sheet		Source: Hope/Discover Daily Progress Notes																
Meal Distribution Sheet Indicates Dinner Was Provided	Non-Billable Dinner Time	Group 12:30-1:00	Group 1:00-1:30	Group 1:30-2:00	Group 1:30-2:15	Group 2:00-2:30	Group 2:15-2:45	Group 2:30-3:15	Group 2:45-3:30	Group 3:00-3:30	Group 3:15-4:00	Group 3:30-4:00	Group 3:45-4:15	Group 4:00-4:30	Group 4:15-4:45	Group 4:30-5:00	Group 4:45-5:30	Group 5:00-5:30
		(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)	(minute s/recipe)
Yes	5:45pm-6:15pm									30		30		30		30		
Yes	5:45pm-6:15pm											30		30		30		
Yes	4:00pm-4:30pm		30	30										D				
NV	NV	NV	NV	NV		NV		NV		NV	NV	NV	NV	NV	NV	NV	NV	NV
NV	NV	NV	NV	NV		NV		NV		NV	NV	NV	NV	NV	NV	NV	NV	NV
Yes	3:15pm-3:45pm	30	30	30		30		45			D		30		30		45	
Yes	5:00pm-5:30pm															30		D
Yes	5:45pm-6:15pm											30		30		30		
Yes	5:00pm-5:30pm															30		D
Yes	5:00pm-5:30pm															30		D
NV	4:00pm-4:30pm		30		45		30		45			30		D		30		
Yes	5:45pm-6:15pm													30		30		
Yes	5:45pm-6:15pm											30		30		30		
Yes	5:45pm-6:15pm											30		30		30		
Yes	NV	NV	NV	NV		NV		NV		NV	NV	NV	NV	NV	NV	NV	NV	NV
Yes	5:45pm-6:15pm									30		30		30		30		

											Source: Shared Data Warehouse		
Group 5:00- 5:45 (minute s/recipe)	Group 5:30- 6:00 (minute s/recipe)	Group 5:30- 6:15 (minute s/recipe)	Group 5:45- 6:15 (minute s/recipe)	Group 6:00- 6:30 (minute s/recipe)	Group 6:15- 6:30 (minute s/recipe)	Group 6:15- 6:45 (minute s/recipe)	Group 6:15- 7:15 (minute s/recipe)	Group 6:45- 7:15 (minute s/recipe)	Group 7:15- 7:45 (minute s/recipe)	Group 7:45- 8:30 (minute s/recipe)	A	B	C
											Claim Exception Type	Number Of Units Billed	Claim Payment Amount
45			D						30	45	Units Not Supported by Documentation	5	\$ 77.00
45			D			30		30	30	45	Units Not Supported by Documentation	5	\$ 77.00
											Less Than 2 Units of Service	5	\$ 77.00
NV		NV	NV		NV	NV	NV	NV	NV	NV	No Documentation Provided	5	\$ 77.00
NV		NV	NV		NV	NV	NV	NV	NV	NV	No Documentation Provided	5	\$ 77.00
											Units Not Supported by Documentation	5	\$ 77.00
		45				30		30	30	45	Units Not Supported by Documentation	4	\$ 61.60
45			D				60		30	45	Non-Billable Meal Time	5	\$ 77.00
		45				30		30	30	45	Non-Billable Meal Time	4	\$ 61.60
		45				30		30	30	45	Non-Billable Meal Time	4	\$ 61.60
	30			30							Units Not Supported by Documentation	5	\$ 77.00
45			D			30		30	30	45	Units Not Supported by Documentation	5	\$ 77.00
45			D			30		30	30	45	Units Not Supported by Documentation	5	\$ 77.00
			D								Less Than 2 Units of Service	3	\$ 46.20
NV		NV	NV		NV	NV	NV	NV	NV	NV	No Documentation Provided	4	\$ 61.60
			D								Units Not Supported by Documentation	5	\$ 77.00
Total of Non-Billable Meal Time Claims/Amount											3		
Total of No Documentation Provided Claims/Amount											3		
Total of Documentation Not Supporting Minimum of Two Service Units Billed Claims/Amount											2		
Total of Units Not Supported by Documentation Claims/Amount											8		
Total of Claims Billed in Error											16		
Total Of Non-Compliant Claims Amount													

Exhibit A1

MFD Conclusion					
MFD Calculation					
D	E	F	G	H	I
Total In Group Time In Minutes	(D)/60 Total In Group Hours	Total In Group Hrs (E) Rounded Down To Nearest Whole Hour	Hourly Rate	(F)x(G) Calculated Claim Payment Amount per Audit	(C)-(H) Recovery Amount
240	4.00	4	\$ 15.40	\$ 61.60	\$ 15.40
270	4.50	4	\$ 15.40	\$ 61.60	\$ 15.40
60	1.00	0	\$ 15.40	\$ -	\$ 77.00
0	0.00	0	\$ 15.40	\$ -	\$ 77.00
0	0.00	0	\$ 15.40	\$ -	\$ 77.00
270	4.50	4	\$ 15.40	\$ 61.60	\$ 15.40
210	3.50	3	\$ 15.40	\$ 46.20	\$ 15.40
270	4.50	4	\$ 15.40	\$ 61.60	\$ 15.40
210	3.50	3	\$ 15.40	\$ 46.20	\$ 15.40
210	3.50	3	\$ 15.40	\$ 46.20	\$ 15.40
270	4.50	4	\$ 15.40	\$ 61.60	\$ 15.40
240	4.00	4	\$ 15.40	\$ 61.60	\$ 15.40
270	4.50	4	\$ 15.40	\$ 61.60	\$ 15.40
60	1.00	0	\$ 15.40	\$ -	\$ 46.20
0	0.00	0	\$ 15.40	\$ -	\$ 61.60
120	2.00	2	\$ 15.40	\$ 30.80	\$ 46.20
					\$46
					\$216
					\$123
					\$154
					\$539

Tickmark Legend
A - Absent
P - Present
IM - Incorrect Meal Log
N/A - Not Applicable
NF - Date of Service is not Friday
NC - Unable to Calculate

Archway Programs Inc. - ACT Program
Overbilling of Units of Partial Care Services

Exhibit A2

Exhibit A2

Source: Shared Data Warehouse

Source: ACT Facility Sign In/Out Sheet

Source: Meal Distribution Sheet

Source: ACT Program Attendance Sheet

Source: ACT Group Sign-In-Sheets

Source: Shared Data Warehouse

MFD Conclusion

Claim Identification Control Number	Claim Recipient Current Identification Number	Recipient Last Name	Recipient First Name	Recipient Birth Date	Claim Service Date	Claim Procedure Code	Claim Number of Units Billed	Claim Payment Amount	Hourly Rate	Source: ACT Facility Sign In/Out Sheet			Meal Distribution Sheet Indicates Breakfast Was Provided	Recipient's Program Attendance	Source: ACT Program Attendance Sheet			Source: ACT Group Sign-In-Sheets							Claim Exception Type	Source: Shared Data Warehouse			MFD Calculation					
										Facility Time In	Facility Time Out	Total Number of Hours in the Facility			Recipient's Attendance	Recipient's Community Meeting Attendance 8:30-9:30 Monday-Thursday (8:30-9:00)	Recipient's Wrap-Up Meeting Attendance Fridays Only 2:40-3:00 (minutes)	Parties 2:30-3:00 or 2:15-3:00 (minutes)	Group 9:00-9:30 Fridays Only (minutes s/recip)	Group 9:40-10:10 (minutes s/recip)	Group 10:15-11:00 10:15-11:20 (minutes es/recip)	Group 11:25-12:00 (minutes es/recip)	Group 12:10-1:35 12:15-1:35 (minutes es/recip)	Group 1:40-2:30 (minutes es/recip)		Group 2:40-3:00 Monday-Thursday (minutes) r/ecip)	A	B Number of Units Billed	C Claim Payment Amount	D Total In Group Time in Minutes	E Breakfast Non-Billable Time (30 minutes)	F (D)-(E) Total Calculated Billable Time in Minutes	G (F)/60 Total In Group Hrs	H Total In Group Hrs (G) Rounded Down to Nearest Whole Hour
					2/16/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 65.20	\$ 14.55
					1/19/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 65.20	\$ 14.55
					1/7/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 65.20	\$ 14.55
					9/12/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					8/8/2014	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	30	20	N/A	30	40	0	35	0	0	Units Not Supported by Documentation	5	\$ 72.75	455	30	125	2.08	2	\$ 14.55	\$ 29.10	\$ 43.65
					6/25/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					4/24/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					10/23/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					10/22/2014	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	IM	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 65.20	\$ 14.55
					6/8/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	30	20	N/A	30	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					2/22/2019	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	30	20	N/A	30	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					12/19/2016	Z0170	5	\$ 53.75	\$ 10.75	8:30	12:30	4	IM	P	60	NF	N/A	NF	40	45	35	0	0	Non-Billable Meal Time	5	\$ 53.75	180	30	150	2.50	2	\$ 10.75	\$ 33.84	\$ 17.92
					8/10/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	30	20	N/A	0	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	270	30	240	4.00	4	\$ 17.92	\$ 71.68	\$ 17.92
					9/6/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	No	A	0	NF	N/A	NF	0	0	0	0	0	No Documentation Provided	5	\$ 89.60	0	0	0	0.00	0	\$ 17.92	\$ -	\$ 89.60
					2/7/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					4/25/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					11/8/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					8/11/2016	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 65.20	\$ 14.55
					6/28/2018	Z0170	5	\$ 53.75	\$ 10.75	9:30	1:35	4	No	A	0	NF	N/A	NF	40	45	35	50	0	Non-Billable Meal Time	5	\$ 53.75	170	0	170	2.83	2	\$ 10.75	\$ 33.84	\$ 17.92
					8/1/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					11/23/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	IM	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 65.20	\$ 14.55
					2/8/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					9/12/2014	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	IM	P	30	20	N/A	30	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 65.20	\$ 14.55
					4/3/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	30	0	N/A	0	40	45	35	50	0	Units Not Supported by Documentation	5	\$ 72.75	200	30	170	2.83	2	\$ 14.55	\$ 29.10	\$ 43.65
					3/20/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					2/1/2019	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	30	0	N/A	30	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	280	30	250	4.17	4	\$ 17.92	\$ 71.68	\$ 17.92
					9/19/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					8/20/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					3/20/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	No	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					1/15/2019	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92
					12/5/2014	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	30	0	N/A	30	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	280	30	250	4.17	4	\$ 14.55	\$ 65.20	\$ 14.55
					3/17/2016	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	0	30	NF	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	310	30	280	4.67	4	\$ 14.55	\$ 65.20	\$ 14.55
					6/26/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	30	0	30	30	40	45	35	50	20	Non-Billable Meal Time	5	\$ 72.75	310	30	280	4.67	4	\$ 14.55	\$ 65.20	\$ 14.55
					10/23/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	IM	P	30	0	N/A	30	40	45	35	50	20	Non-Billable Meal Time</										

Tickmark Legend
A - Absent
P - Present
IM - Incorrect Meal Log
N/A - Not Applicable
NF - Date of Service is not Friday
NC - Unable to Calculate

Exhibit A2

Archway Programs Inc. - ACT Program
Overbilling of Units of Partial Care Services

Exhibit A2

Source: Shared Data Warehouse										Source: ACT Facility Sign In/Out Sheet			Source: Meal Distribution Sheet	Source: ACT Program Attendance Sheet				Source: ACT Group Sign-In-Sheets								Source: Shared Data Warehouse		MFD Conclusion									
Claim Identification Control Number	Claim Recipient Current Identification Number	Recipient Last Name	Recipient First Name	Recipient Birth Date	Claim Service Date	Claim Procedure Code	Claim Number of Units Billed	Claim Payment Amount	Hourly Rate	Facility Time In	Facility Time Out	Total Number of Hours in the Facility	Meal Distribution Sheet Indicates Breakfast Was Provided	Recipient's Program Attendance	Recipient's Community Meeting Attendance 8:30-9:30 Monday-Thursday (minutes) 8:30-9:00	Recipient's Wrap-Up Meeting Attendance Fridays Only 2:40-3:00 (minutes)	Parties 2:30-3:00 or 2:15-3:00 (minutes)	Group 9:00-9:30 Fridays Only (minutes/s/recip)	Group 9:40-10:20 (minutes/tes/re cip)	Group 10:35-11:20 or 10:40-11:20 (minut es/reci p)	Group 11:25-12:00 (minutes/tes/reci p)	Group 12:40-1:35 or 12:45-1:35 (minutes/tes/reci p)	Group 1:40-2:30 (minutes/tes/reci p)	Group 2:40-3:00 Monday - Thursday (minutes/r ecip)	Claim Exception Type	Source: Shared Data Warehouse		D	E	F	MFD Calculation						
																										A	B				C	Total In Group Time in Minutes	Breakfast Non-Billable Time (30 minutes)	(D)-(E) Total Calculated Billable Time in Minutes	(F)/60 Total In Group Hrs	Total In Group Hrs (G) Rounded Down to Nearest Whole Hour	Hourly Rate
					11/17/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	IM	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 58.20	\$ 14.55		
					5/30/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	IM	P	60	NF	N/A	NF	0	45	35	50	50	20	Units Not Supported by Documentation	5	\$ 89.60	260	30	230	3.83	3	\$ 17.92	\$ 53.76	\$ 35.84		
					9/26/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	0	Non-Billable Meal Time	5	\$ 89.60	280	30	250	4.17	4	\$ 17.92	\$ 71.68	\$ 17.92		
					2/11/2016	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 58.20	\$ 14.55		
					1/18/2018	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92		
					8/5/2014	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 58.20	\$ 14.55		
					4/28/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 58.20	\$ 14.55		
					5/31/2017	Z0170	5	\$ 89.60	\$ 17.92	0:00	0:00	NC	IM	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92		
					2/24/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 58.20	\$ 14.55		
					4/29/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	0	50	50	20	Units Not Supported by Documentation	5	\$ 72.75	265	30	235	3.92	3	\$ 14.55	\$ 43.65	\$ 29.10		
					7/13/2015	Z0170	5	\$ 72.75	\$ 14.55	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 72.75	300	30	270	4.50	4	\$ 14.55	\$ 58.20	\$ 14.55		
					9/21/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92		
					12/27/2017	Z0170	5	\$ 89.60	\$ 17.92	8:30	3:00	6.5	Yes	P	60	NF	N/A	NF	40	45	35	50	50	20	Non-Billable Meal Time	5	\$ 89.60	300	30	270	4.50	4	\$ 17.92	\$ 71.68	\$ 17.92		
Total of Non-Billable Meal Time Claims/Amount																												89									
Total of No Documentation Provided Claims/Amount																												1									
Total of Documentation Not Supporting Minimum of Two Service Units Billed Claims/Amount																												0									
Total of Units Not Supported by Documentation Claims/Amount																												8									
Total of Claims Billed in Error																												92									
Total Of Non-Compliant Claims Amount																													\$1,752								



Tickmark Legend
NV - Documentation Not Provided

Exhibit B

Archway Programs, Inc. - Hope and Discover Programs
Schedule of Documents with Unconfirmed Date, Service Duration and Practitioner's Signature

Exhibit B

Source: Shared Data Warehouse						Hope/Discover Daily Progress Note													
Claim Identification Control Number	Claim Current Recipient Identification Number	Recipient Last Name	Recipient First Name	Claim Service Date	Group 12:30-1:00 (minutes/ recip)	Group 1:00-1:30 (minutes/ recip)	Group 1:30-2:00 (minutes/ recip)	Group 2:00-2:30 (minutes/ recip)	Group 2:30-3:15 (minutes/ recip)	Group 3:15-4:00 (minutes/ recip)	Group 4:00-4:30 (minutes/ recip)	Group 4:30-5:00 (minutes/ recip)	Group 5:00-5:30 (minutes/ recip)	Group 5:30-6:15 (minutes/ recip)	Group 6:15-6:45 (minutes/ recip)	Group 6:45-7:15 (minutes/ recip)	Group 7:15-7:45 (minutes/ recip)	Group 7:45-8:30 (minutes/ recip)	
				8/26/2015	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	
				5/2/2016	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	
				1/29/2015	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV	
Total Number Of Documents Not Provided					3														
Total Number of Tested Documents					99														
Percentage of Documents Not Provided					3%														



Archway Programs Inc. - ACT Program
Schedule of Group Sign In Sheets Without Practitioner's Signature

Source: Shared Data Warehouse					Is signature present of the practitioner who rendered the service?					
Claim Identification Control Number	Claim Recipient Current Identification Number	Recipient Last Name	Recipient First Name	Claim Service Date	Group Session 9:40 -10:20	Group Session 10:35 -11:20 or 10:40 - 11:20	Group Session 11:25 -12:00	Group Session 12:45 -1:35 or 12:40 - 1:35	Group Session 1:40 -2:30	Group Session 2:40 -3:00
				2/16/2015	No	No	No	No	No	No
				1/19/2016	No	No	No	No	No	No
				1/7/2015	No	No	No	No	No	No
				9/12/2017	No	No	No	No	No	No
				8/8/2014	No	No	No	No	No	No
				6/25/2018	No	No	No	No	No	No
				4/24/2017	No	No	No	No	No	No
				10/23/2017	No	No	No	No	No	No
				10/22/2014	No	No	No	No	No	No
				6/8/2018	No	No	No	No	No	No
				2/22/2019	No	No	No	No	No	No
				12/19/2016	No	No	No	No	No	No
				8/10/2018	No	No	No	No	No	No
				9/6/2017	No	No	No	No	No	No
				2/7/2018	No	No	No	No	No	No
				4/25/2018	No	No	No	No	No	No
				11/8/2018	No	No	No	No	No	No
				8/11/2015	No	No	No	No	No	No
				6/28/2018	No	No	No	No	No	No
				8/1/2018	No	No	No	No	No	No
				11/23/2015	No	No	No	No	No	No
				2/8/2017	No	No	No	No	No	No
				9/12/2014	No	No	No	No	No	No
				4/3/2015	No	No	No	No	No	No
				3/20/2018	No	No	No	No	No	No
				2/1/2019	No	No	No	No	No	No



Exhibit C

Archway Programs Inc. - ACT Program
Schedule of Group Sign In Sheets Without Practitioner's Signature

Exhibit C

Source: Shared Data Warehouse					Is signature present of the practitioner who rendered the service?					
Claim Identification Control Number	Claim Recipient Current Identification Number	Recipient Last Name	Recipient First Name	Claim Service Date	Group Session 9:40 -10:20	Group Session 10:35 -11:20 or 10:40 - 11:20	Group Session 11:25 -12:00	Group Session 12:45 -1:35 or 12:40 - 1:35	Group Session 1:40 -2:30	Group Session 2:40 -3:00
				9/19/2017	No	No	No	No	No	No
				8/10/2017	No	No	No	No	No	No
				3/20/2018	No	No	No	No	No	No
				1/15/2019	No	No	No	No	No	No
				12/5/2014	No	No	No	No	No	No
				3/17/2016	No	No	No	No	No	No
				6/26/2015	No	No	No	No	No	No
				10/23/2015	No	No	No	No	No	No
				2/7/2017	No	No	No	No	No	No
				5/2/2018	No	No	No	No	No	No
				3/7/2019	No	No	No	No	No	No
				11/7/2016	No	No	No	No	No	No
				3/11/2019	No	No	No	No	No	No
				10/27/2014	No	No	No	No	No	No
				6/26/2017	No	No	No	No	No	No
				1/16/2018	No	No	No	No	No	No
				11/4/2014	No	No	No	No	No	No
				3/9/2018	No	No	No	No	No	No
				1/16/2015	No	No	No	No	No	No
				6/18/2015	No	No	No	No	No	No
				12/12/2014	No	No	No	No	No	No
				12/17/2014	No	No	No	No	No	No
				1/23/2017	No	No	No	No	No	No
				12/28/2018	No	No	No	No	No	No
				10/23/2014	No	No	No	No	No	No
				12/22/2015	No	No	No	No	No	No



Exhibit C

Archway Programs Inc. - ACT Program
Schedule of Group Sign In Sheets Without Practitioner's Signature

Exhibit C

Source: Shared Data Warehouse								Is signature present of the practitioner who rendered the service?						
Claim Identification Control Number			Claim Recipient Current Identification Number		Recipient Last Name		Recipient First Name	Claim Service Date	Group Session 9:40 -10:20	Group Session 10:35 -11:20 or 10:40 - 11:20	Group Session 11:25 -12:00	Group Session 12:45 -1:35 or 12:40 - 1:35	Group Session 1:40 -2:30	Group Session 2:40 -3:00
								5/11/2017	No	No	No	No	No	No
								9/6/2018	No	No	No	No	No	No
								7/16/2015	No	No	No	No	No	No
								9/9/2015	No	No	No	No	No	No
								2/13/2018	No	No	No	No	No	No
								2/21/2019	No	No	No	No	No	No
								8/4/2014	No	No	No	No	No	No
								8/16/2018	No	No	No	No	No	No
								2/8/2017	No	No	No	No	No	No
								7/2/2018	No	No	No	No	No	No
								10/3/2016	No	No	No	No	No	No
								5/29/2015	No	No	No	No	No	No
								6/25/2015	No	No	No	No	No	No
								6/1/2016	No	No	No	No	No	No
								6/28/2017	No	No	No	No	No	No
								6/26/2018	No	No	No	No	No	No
								6/20/2016	No	No	No	No	No	No
								10/17/2014	No	No	No	No	No	No
								10/21/2016	No	No	No	No	No	No
								4/28/2015	No	No	No	No	No	No
								6/2/2015	No	No	No	No	No	No
								5/13/2016	No	No	No	No	No	No
								12/5/2014	No	No	No	No	No	No
								9/13/2016	No	No	No	No	No	No
								12/2/2016	No	No	No	No	No	No
								9/3/2015	No	No	No	No	No	No

Archway Programs Inc. - ACT Program
Schedule of Group Sign In Sheets Without Practitioner's Signature

Source: Shared Data Warehouse					Is signature present of the practitioner who rendered the service?					
Claim Identification Control Number	Claim Recipient Current Identification Number	Recipient Last Name	Recipient First Name	Claim Service Date	Group Session 9:40 -10:20	Group Session 10:35 -11:20 or 10:40 - 11:20	Group Session 11:25 -12:00	Group Session 12:45 -1:35 or 12:40 - 1:35	Group Session 1:40 -2:30	Group Session 2:40 -3:00
				4/1/2015	No	No	No	No	No	No
				12/21/2018	No	No	No	No	No	No
				11/17/2015	No	No	No	No	No	No
				5/30/2017	No	No	No	No	No	No
				9/26/2018	No	No	No	No	No	No
				2/11/2016	No	No	No	No	No	No
				1/18/2018	No	No	No	No	No	No
				8/5/2014	No	No	No	No	No	No
				4/28/2015	No	No	No	No	No	No
				5/31/2017	No	No	No	No	No	No
				2/24/2015	No	No	No	No	No	No
				4/29/2015	No	No	No	No	No	No
				7/13/2015	No	No	No	No	No	No
				9/21/2017	No	No	No	No	No	No
				12/27/2017	No	No	No	No	No	No
Total Number of Documents with Missing Practitioner's Signature (No)					93	93	93	93	93	93
Total Number of Tested Documents					93	93	93	93	93	93
Percentage of Non- Compliant Documents					100%	100%	100%	100%	100%	100%



Tickmark Legend

X - Classes marked beyond arrival/departure time

Exhibit D

Archway Programs Inc. - Hope and Discover Programs
Schedule Of Classes Attended Beyond Participant's Arrival/Departure Time

Exhibit D

Source: Shared Data Warehouse						Hope/Discover Facility Sign In Sheet		Hope/Discover Daily Progress Note												MFD Conclusion	
Claim Identification Control Number	Claim Current Recipient Identification Number	Recipient Last Name	Recipient First Name	Recipient Birth Date	Claim Service Date	Facility Time In	Facility Time Out	Group 12:00-12:30 (minutes /recip)	Group 12:30-1:00 (minutes /recip)	Group 3:00-3:30 (minutes /recip)	Group 3:30-4:00 (minutes /recip)	Group 4:00-4:30 (minutes /recip)	Group 4:15-4:45 (minutes /recip)	Group 5:45-6:15 (minutes /recip)	Group 6:15-6:30 (minutes /recip)	Group 6:15-6:45 (minutes /recip)	Group 6:45-7:15 (minutes /recip)	Group 7:15-7:45 (minutes /recip)	Group 7:45-8:30 (minutes /recip)	Prticipant Signed In To Class Before Recorded Arrival Time To The Facility	Prticipant Signed In To Class After Recorded Departure Time From The Facility
					5/27/2016	4:30	8:30				X	X								Yes	No
					11/25/2014	3:00	6:30									X	X	X	X	No	Yes
					9/23/2016	4:30	8:30					X								Yes	No
					4/11/2017	4:00	7:30			X	X							X	X	Yes	Yes
					5/31/2016	4:00	8:30				X									Yes	No
					9/30/2014	4:30	8:30					X								Yes	No
					2/16/2015	12:30	6:30	X												Yes	No
					3/30/2016	3:00	6:30									X	X	X	X	No	Yes
					6/6/2016	4:30	8:30					X								Yes	No
					9/6/2016	4:00	8:30				X									Yes	No
					4/25/2017	4:30	8:30				X									Yes	No
					10/9/2014	3:00	6:30									X	X	X	X	No	Yes
					10/15/2014	3:00	7:30											X	X	No	Yes
					8/15/2014	1:00	6:30		X											Yes	No
					5/27/2016	4:30	8:30						X							Yes	No
					12/16/2014	3:30	7:10			X										Yes	No
					12/27/2017	12:00	6:00							X	X					No	Yes
					8/1/2018	1:00	6:30		X											Yes	No
								Total Number of Claims Participant Signed In To Class Before Arrival Time												13	
								Total Number of Claims Participant Signed In To Class After Departure Time													6
								Total Number of Tested Claims												99	99
								Percentage of Claims In Error												13%	6%



Tickmark Legend

X - Multiple Sign Ins by the Same Recipient

Exhibit E

Archway Programs Inc. - ACT Program
Schedule of Participants Signed Into Multiple Group Sessions Offered During The Same Time

Exhibit E

Source: Shared Data Warehouse					ACT Group Sign In Sheet							MFD Conclusion	
Claim Identification Control Number	Claim Recipient Current Identification Number	Recipient Last Name	Recipient First Name	Claim Service Date	Group 9:00-9:30 Fridays Only (minutes)	Group 9:40-10:20 (minutes)	Group 10:35-11:20 or 10:40-11:20 (minutes)	Group 11:25-12:00 (minutes)	Group 12:40 -1:35 or 12:45 -1:35 (minutes)	Group 1:40-2:30 (minutes)	Group 2:40-3:00 Monday - Thursday (minutes)	Participant Signed To Two Or More Group Sessions Offered During The Same Time Block in One Service Date	Number of Instances Participant Was Signed Into Multiple Group Sessions on one Service Date
				1/19/2016				X				Yes	1
				6/25/2018					X	X		Yes	2
				6/8/2018		X						Yes	1
				2/22/2019		X						Yes	1
				12/19/2016		X	X					Yes	2
				2/7/2018				X				Yes	1
				4/25/2018					X			Yes	1
				11/23/2015		X	X					Yes	2
				2/8/2017					X			Yes	1
				4/3/2015				X				Yes	1
				2/1/2019				X	X			Yes	2
				9/19/2017					X			Yes	1
				8/10/2017			X	X		X		Yes	3
				3/20/2018		X		X	X	X		Yes	4
				1/15/2019						X		Yes	1
				12/5/2014				X	X			Yes	2
				6/26/2015					X	X		Yes	2
				5/2/2018						X		Yes	1
				3/7/2019						X		Yes	1
				3/11/2019					X			Yes	1
				6/26/2017					X			Yes	1
				3/9/2018					X			Yes	1
				1/16/2015			X					Yes	1
				1/23/2017						X		Yes	1
				5/11/2017			X		X			Yes	2
				2/13/2018		X						Yes	1
				2/21/2019						X		Yes	1
				2/8/2017			X					Yes	1
				7/2/2018					X	X		Yes	2
				10/3/2016			X					Yes	1
				5/29/2015					X			Yes	1
				6/25/2015					X	X		Yes	2



Tickmark Legend

X - Multiple Sign Ins by the Same Recipient

Exhibit E

Archway Programs Inc. - ACT Program
Schedule of Participants Signed Into Multiple Group Sessions Offered During The Same Time

Exhibit E

Source: Shared Data Warehouse					ACT Group Sign In Sheet							MFD Conclusion	
Claim Identification Control Number	Claim Recipient Current Identification Number	Recipient Last Name	Recipient First Name	Claim Service Date	Group 9:00-9:30 Fridays Only (minutes)	Group 9:40-10:20 (minutes)	Group 10:35-11:20 or 10:40-11:20 (minutes)	Group 11:25-12:00 (minutes)	Group 12:40 -1:35 or 12:45 -1:35 (minutes)	Group 1:40-2:30 (minutes)	Group 2:40-3:00 Monday - Thursday (minutes)	Participant Signed To Two Or More Group Sessions Offered During The Same Time Block in One Service Date	Number of Instances Participant Was Signed Into Multiple Group Sessions on one Service Date
				6/28/2017		X						Yes	1
				6/26/2018			X					Yes	1
				10/17/2014		X		X				Yes	2
				12/5/2014					X	X		Yes	2
				1/18/2018					X			Yes	1
				5/31/2017						X		Yes	1
				9/21/2017						X		Yes	1
Total Number of Claims With Overlapping Group Attendance												39	39
Total Number of Tested Claims												93	93
Percentage of Claims in Error												42%	42%

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October 28, 2020

VIA ELECTRONIC MAIL ONLY

[REDACTED] Regulatory Officer
Medicaid Fraud Division
Office of the State Comptroller
20 West State Street, 4th Floor
P.O. Box. 024
Trenton, NJ 06625
[REDACTED]

RE: Archway Programs, Inc. [REDACTED]

Dear Ms. [REDACTED]

As you know, this firm represents Archway Programs, Inc (“Archway”). We are in receipt of the Draft Audit Report (“DAR”) prepared by the Medicaid Fraud Division (“MFD”) dated October 14, 2020. Please accept this correspondence as responsive thereto.

MFD’s audit of Archway’s partial care services billing under Local Procedure Code Z0170 was limited to a review of 192 partial care claims totaling \$13,932.00. MFD contends that its review identified an overpayment of \$2,861.00 in the sample. MFD then extrapolates this purported error rate of 60.4% over Archway’s a universe of 106,942 claims totaling \$7,913,488.00, resulting in an alleged overpayment of \$1,609,967.00.

MFD’s audit findings overwhelmingly rest on two findings. First, MFD contends that because a grab-and-go breakfast is provided by Archway as part of the Adult Counseling and Therapy (“ACT”) Community Meeting program, the entire hour of the program should not have been billed as active programming. Second, MFD contends that Archway failed to provide *any* documentation to substantiate 13 partial care claims. Collectively, these two “findings” account for 96 of the 116 discrepancies MFD claims to have identified.

I. The “Mealtime” Issue.

MFD’s contention that the grab-and-go breakfast Archway served before the ACT Community Meeting program (and subsequently eaten during) amounts to billing for mealtime is

ridiculous. And frankly, we are stunned that the information and materials Archway shared with MFD after the Exit Conference were simply ignored. Indeed, the DAR merely regurgitates the same faulty factual and legal conclusions parroted in MFD's Summary of Findings.

Admittedly, pursuant to *N.J.A.C. 10:66-2.7(d)*, only active programming time may be considered for purposes of billing either a full-day or half-day of partial care. And active programming is "exclusive of meals, breaks, and transportation." But there is nothing in the regulation or any other interpretive guidance that prohibits a meal being served during active programming. See *Hentz v. Division of Medical Assistance and Health Services*, 2005 N.J. AGEN LEXIS 1319 at *13 (September 29, 2005). In *Hentz*, the Division of Medical Assistance and Health Services explained its rationale for excluding transportation time from active programming where several participants at the facility in question routinely arrived late to the facility and thus "were deprived of five full hours of programming." *Id.* at *21. So, because of the late arrival via the facility's transportation, those minutes could not be counted toward "active programming." But the grab-and-go breakfast provided by Archway as part of the ACT Community Meeting does not similarly deprive its clients of the full hour of programming.

As was explained by [REDACTED] during the Exit Conference, the first hour of ACT programming is referred to as the "Community Meeting" or "ADL Group." Before this hour of active programming begins, Archway's clients are invited to pick up breakfast and bring it to their seat to enjoy during the program. The ACT coordinator begins with a greeting, and then follows an identical meeting cadence each day, consisting of an update on the weather, a discussion of that day's character trait focus, and a discussion of caseloads. Then the coordinator discusses some facts related to sports, birthdays, jokes, and words of wisdom. Finally, if the staff has any announcements these are made during the final minutes of programming. This, in no-uncertain-terms, qualifies as active programming for purposes of quantifying partial care. That a meal is potentially eaten concurrently has absolutely no bearing on the program itself.

During the Exit Conference, MFD requested documents to substantiate [REDACTED] description. So, thereafter, on September 28, we provided MFD with a supplemental production of documents consisting of: (i) Archway's policies and procedures related to the Adult Counseling and Therapy ("ACT") program, as approved by the Department of Health; (ii) an example of a character trait focus handout on "Responsibility" used to facilitate group discussion during the ACT Community Meeting program; and (iii) the March 2019 daily agendas for the Community Meeting program. Notably, only the March 2019 daily agendas were provided, because MFD specifically requested that only that month would suffice. Yet none of this is addressed in the DAR.

More egregiously, after the Exit Conference, it was brought to our attention that Archway's partial care program is audited annually by the State of New Jersey. These annual reviews are conducted by [REDACTED] who is engaged by the New Jersey Department of Human Services, Division of Medical Assistance and Health Services ("NJDMAHS") and Division of Mental Health and Addiction Services ("NJDMHAS") directly. [REDACTED] who performs partial-care reviews for all agencies on a 3-4-year rotating basis, last reviewed Archway's partial care program on May 17, 2019. During that review, [REDACTED]

performed an on-site survey and audit of all programs, consistent with the state's annual review of all licensed partial-care programs. This audit included an examination of all aspects of Archway's program, including the Community Meeting, which was deemed sufficient to qualify as "active programming." And in recent conversations with [REDACTED] they confirmed that providing breakfast during the Community Meeting does not disqualify it from active programming and that, incredibly, most partial care programs in the state begin their daily programs in the exact same way.

So, MFD's novel interpretation of *N.J.A.C. 10:66-2.7(d)* here not only implicates an egregious instance of selective enforcement, it is also directly contrary to the position taken by an independent, third-party auditor engaged by the state to review the sufficiency of Archway's partial care programming; and in doing so, threatens to disrupt the entire partial care industry in New Jersey. Regardless, before further pursuing the alleged overpayment identified in the DAR, MFD must first provide Archway with [REDACTED] most recent audit report, which was provided to the State and is not available to Archway and then explain how its conclusions can be so seemingly at odds with a concurrent review completed by [REDACTED] last year.

Considering the forgoing, the 83 ACT claims identified as erroneous based on "non-billable mealtime" should be removed from the FAR. The MFD has proffered no evidence, let alone credible evidence, to support its position that eating a meal discounts active programming time. Archway provided several materials to describe its programming during the first hour of its full day of partial care. The MFD has not challenged the programming itself; but, instead it has taken the untenable position that because a consumer grabbed a bagel before he sat down, Archway cannot bill for a full day of programming even though all Medicaid participants are engaged in the first partial care meeting of the day.

II. Documentation Not Provided.

As was noted in my September 28 response to the SOF, Archway continued to search its offsite storage facility for the 13 claims identified by MFD as "No Documentation Provided" in the DAR. As explained by [REDACTED] during the Exit Conference, these records were not readily available to Archway because after three years of inactive participation, Archway stores client records in an offsite storage facility. The "missing" records were exclusively from this time-frame: two from 2014; two from 2015; six from 2016; and one from 2017. Fortunately, Archway's ongoing efforts to find these documents have resulted in 9 of the 13 files being located. Those records are enclosed herewith, and we expect the DAR audit findings to be adjusted accordingly.

III. Questionable Sampling Methodology.

Lastly, the statistical extrapolation utilized by MFD to arrive at the overpayment determination appears dubious, at best, based on the paltry sample size. Archway therefore requests information sufficient to determine whether the probability sample MFD utilized was properly executed (i.e., define the universe, the frame, the sampling units, the randomization, how the variables of interest were measured, and any formulas used for estimation). *See, e.g.,*

Maxmed Healthcare, Inc. v. Price, 2017 U.S. App. LEXIS 11115, *2 (5th Cir. 2017) (stating that following an overpayment determination based on extrapolation, a provider may attack the statistical validity of the sample, or challenge the correctness of the determination in specific cases identified by the sample) (internal citation omitted). While admittedly a handful of administrative and documentation errors exist, the sampling methodology employed by MFD vastly overstates their statistical significance, resulting in an inflated overpayment assessment, particularly after the 96 baseless “errors” are removed from the analysis.

What’s more, the Centers for Medicare and Medicaid Services (“CMS”) make clear that an error rate used to justify statistical extrapolation must exceed fifty percent. Specifically, the Medicare Program Integrity Manual state that “for purposes of extrapolation, a sustained or high level of payment error shall be determined to exist through a variety of means, including, but not limited to: high error rate determinations by the contractor or by other medical reviews (i.e., greater than or equal to 50 percent from a previous pre- or post-payment review). Medicare Program Integrity Manual, 8.4.1.4. Once the “errors” are removed from the overpayment analysis, the MFD’s error cannot certainly be considered “high” as contemplated by CMS. As such, the statistical sampling must rerun with an appropriate error percentage in the appropriate universe.

IV. Corrective Action Plan.

Once the 96 baseless “errors” are removed from MFD’s audit findings, there remains but a handful of administrative and documentation issues to be address. That said, considering the audit, Archway is in the process of revisiting its documentation protocols and billing compliance program. As part of that process, Archway will ensure that documentation for partial care services includes, among other things, (i) the specific services rendered; (ii) the date and time the services were rendered; (iii) the duration of the services provided; and (iv) the signature of the practitioner who rendered the services. Additionally, Archway will institute procedures to ensure that (i) participants are not marked attending group sessions prior to their recorded arrival time; (ii) participants are not marked attending group sessions after their departure time; and (iii) participants are not signed into multiple group sessions during the same period.

As it relates to the record keeping issues identified by the MFD, Archway will develop and institute procedures that insure proper documentation of partial care services. Specifically, these procedures will require Archway administrators to maintain documentation for partial care services that includes, among other things, (i) the specific services rendered; (ii) the date and time the services were rendered; (iii) the duration of the services provided; and (iv) the signature of the practitioner who rendered the services. Additionally, Archway will institute procedures to ensure that (i) participants are not marked attending group sessions prior to their recorded arrival time; (ii) participants are not marked attending group sessions after their departure time; and (iii) participants are not signed into multiple group sessions during the same period.

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*

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October 28, 2020
Page 5 of 5

Thank you in advance for your consideration.

Respectfully yours,

BUTTACI LEARDI & WERNER LLC

A handwritten signature in blue ink that reads 'John W. Leardi'.

John W. Leardi
A Member of the Firm

JWL/npa

cc: Client File (00884.07000)

Archway's Comments and MFD's Response

Archway's written response to MFD's audit findings challenges MFD's conclusions regarding reimbursement for active programming, MFD's findings regarding Archway's failure to provide documentation, and MFD's sampling and extrapolation procedures. Archway's objections and MFD's responses are set forth below.

Archway's Objection #1 **The "Mealtime" Issue**

Archway disagrees with MFD's conclusion that it billed and was paid for active programming that improperly included a mealtime during which participants were served and ate a breakfast. Despite acknowledging the regulation that prohibits it from including meal time in its claims for active programming, *N.J.A.C. 10:66-2.7(d)*, Archway maintains that "there is nothing in the regulation or any other interpretive guidance that prohibits a meal being served during active programming," citing *Hentz v. Division of Medical Assistance and Health Services*, 2005 N.J. AGEN LEXIS 1319 (September 29, 2005) in support. Archway claims that *Hentz* supports its position because an Administrative Law Judge (ALJ) prohibited the inclusion of transportation time in the calculation of active programming where "participants at the facility in question routinely arrived late to the facility and thus 'were deprived of five full hours of programming.'" Archway suggests that unlike the *Hentz* participants, a self-described "grab-and-go breakfast provided by the facility during the ACT Community Meeting does not similarly deprive clients of a full hour of billed-for programming."

Archway states further that before its first "hour of active programming begins, Archway's clients are invited to pick up breakfast and bring it to their seat to enjoy during the program." In support of its position that it can bill for the Community Meeting time while serving a meal, Archway maintains "[t]hat a meal is potentially eaten concurrently has absolutely no bearing on the program itself."

Archway adds that it provided MFD with supplemental documentation, asserting that "none of this is addressed in the DAR."

Lastly, Archway claims that a May 17, 2019 Report prepared by [REDACTED], an independent contractor, on behalf of the DMAHS and the NJ Division of Mental Health and Addiction Services, establishes that MFD's conclusions in this audit are erroneous. Archway states that "[d]uring that review, [REDACTED] performed an on-site survey and audit of all programs, consistent with the state's annual review of all licensed partial-care programs," including "an examination of all aspects of Archway's

program, including the Community Meeting, which was deemed sufficient to qualify as ‘active programming.’”¹

Archway further asserts that “the 83 ACT claims identified as erroneous based on ‘non-billable mealtime’ should be removed . . .” because MFD “proffered no evidence, let alone credible evidence, to support its position that eating a meal discounts active programming time.” Archway alleges that MFD “has taken the untenable position that because a consumer grabbed a bagel before he sat down, Archway cannot bill for a full day of programming even though all Medicaid participants are engaged in the first partial care meeting of the day.”

MFD’s Response No. 1

MFD has considered and is not persuaded by Archway’s arguments related to the mealtime issue. Archway’s position is not supported by the record or applicable law. While there is nothing prohibiting Archway from serving a meal in the morning, the regulation plainly prohibits reimbursement for mealtime. *N.J.A.C.* 10:66-2.7(d). The relevant regulation states, in part, that a full day of reimbursable mental health services “means five or more hours of participation in active programming exclusive of meals, breaks and transportation.” *Ibid.* (*emp. added*). MFD’s interpretation of the regulation is not “novel,” and the regulation’s language is neither vague nor ambiguous. By its clear terms, “exclusive”² means that billable time does not include mealtime. It is also noteworthy that Archway is reimbursed for the breakfast meal by the NJ State Department of Agriculture through the Child and Adult Care Food Program (CACFP).

Archway’s representation that breakfast is served before active programming begins is not supported by the documentary evidence obtained during the audit or by MFD’s in-person observations. In fact, breakfast is not served before 8:30 am, when Archway started billing for active programming. MFD Auditors observed that arriving participants are not admitted to the facility before 8:30 am and that observation is corroborated by Archway’s Facility Sign In/Out Sheet, which showed signatures starting at 8:30 am. Specifically, MFD Auditors observed participants getting in line to enter Archway’s cafeteria in order to sign in and be served. After admission, each participant was required to sign in to the facility, and then get back into line to be served breakfast. Breakfast attendance was also taken. MFD Auditors observed approximately 50 participants going through the process of entering, signing in, and waiting in line for breakfast. MFD Auditors observed the above-described activity in-person and noted that active

¹ Archway also states that “in a recent conversation” [REDACTED] “confirmed that providing breakfast during the Community meeting does not disqualify it from active programming.” [REDACTED] has not confirmed this representation by Archway.

² “Exclusive” is defined as not admitting of something else, incompatible or omitting from consideration or account. *See* The Random House Dictionary of the English Language, 2d Ed. (1987).

programming did not commence until 9 am. MFD's observations were supported by Archway's documentation, namely the Sign In/Out Sheets and the meal logs. In short, Archway's procedures and documentation show that Archway's active programming commenced at approximately 9 am. Accordingly, MFD properly disallowed Archway's claims for active programming from 8:30 am to 9 am.

Archway's reliance on the Initial Decision in *Hentz v. Division of Medical Assistance and Health Services* is misplaced. The ALJ in *Hentz* found that a facility should not be reimbursed for active programming when participants were deprived of programming as a result of routinely arriving late to the facility because those participants had not received a full five hours of services. *Hentz, supra*, 2005 AGEN LEXIS 1319, *18-19 (Initial Decision September 29, 2005). Archway participants are similarly deprived of active programming while an average of 51 participants wait in line to enter the cafeteria to sign a Facility Sign-In-Sheet and then wait in another line to obtain and then eat their breakfast. Billable active programming did not commence until 9 am and cannot begin sooner because the facility does not admit participants before 8:30 am. Accordingly, just as the ALJ found that the facility in *Hentz* should not have billed Medicaid for transportation time, Archway should not have billed Medicaid for mealtime.

Archway's suggestion that breakfast mealtime should be reimbursed because it was not a large meal, i.e., it was "grab-and-go" or "a bagel" is equally unsupported. MFD reviewed Archway's breakfast menu for numerous dates and found that it included a range of food items, including cereals, sausage biscuits, waffles, omelets, pancakes, fruit, cookies, muffins and milk. MFD will not engage in Archway's proposed analysis of whether a breakfast served by the facility is substantial enough to be considered breakfast or a mere snack, especially since the representation that breakfast was merely "a bagel" is unsupported by Archway's own menu. Moreover, pursuant to Archway's CACFP agreement, the facility is required to serve a breakfast that meets the U.S. Department of Agriculture's minimum nutritional requirements as listed on "Schedule B" of their agreement. There is no need for MFD or DMAHS to assess the quality of a meal served because the regulation requires Archway to exclude the breakfast meal from its calculation of active programming. *N.J.A.C.* 10:66-2.7(d).

Lastly, Archway's attempted reliance on a [REDACTED] Report dated May 17, 2019 is also misplaced. [REDACTED] issued the Report as the result of an agreed-upon-procedures engagement, not an audit. Unlike MFD's audit which selected a statistically valid random sample of 192 claims (123 Medicaid beneficiaries associated with these claims), [REDACTED] conducted a limited review based only on 10 beneficiaries and only 20 claims that, by its terms, did not examine Archway's compliance with many Medicaid requirements. In fact, [REDACTED] review was designed to assist DMAHS in determining whether paid partial care services were delivered to eligible Medicaid consumers. The [REDACTED] staff that prepared this Report confirmed that they did not observe whether Archway provided a meal, full or "grab and go," and whether such meal coincided with active programming time. [REDACTED] agreed-upon-procedures did not include that

objective and, thus, [REDACTED] made no finding in that regard. Under the Attestation Standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards, [REDACTED] Report was not an examination or review. [REDACTED] agreed-upon procedures did not include observation of active programming. [REDACTED] Report did not express an opinion or conclusion regarding Archway's compliance with specified requirements, including N.J.A.C. 10:66-2.7(d).

In addition, even if [REDACTED] had reviewed the sufficiency of Archway's partial care programming – which it did not – [REDACTED] conclusions are not controlling in MFD's audit. [REDACTED] cannot supplant MFD's statutorily authorized duties pursuant to the *Medical Assistance and Health Services Act*, N.J.S.A. 30:4D-1 *et seq.* and the *Medicaid Program Integrity and Protection Act*, N.J.S.A. 30:4D-53 *et seq.* and N.J.S.A. 52:15C-23. In sum, Archway has not provided any documentation or information requiring MFD to adjust its findings related to the 83 claims identified as erroneous, non-billable mealtime.

Archway's Objection #2 **Documentation Not Provided**

In its response, Archway states that it provided 9 of 13 missing files and wants MFD's audit findings to be adjusted accordingly.

MFD's Response No. 2

MFD does not dispute that in response to the Draft Audit Report, Archway provided MFD 9 of 13 files that Archway previously had not provided. MFD reviewed all of Archway's submissions, including the 9 of 13 files that Archway previously had not provided, and adjusted its findings accordingly for all partial-care services that were supported by the subsequently provided documentation. At every step of the audit process, including this FAR, MFD provided Archway a listing of all claims that MFD found deficient and the basis for such finding. This documentation shows that, when warranted, MFD gave credit for claims that previously had been found deficient, including the claims information submitted in response to the DAR.

Archway's Objection #3 **Questionable Sampling Methodology**

Archway objects to MFD's extrapolation methodology, opining that the sample size was too small. Archway alleges that MFD "vastly overstate[d]" the "statistical significance" of the errors MFD identified, "resulting in an inflated overpayment assessment." Archway claims that CMS' Medicare Program Integrity Manual (MPIM) applies to MFD's extrapolation in this matter and, citing a portion of section 8.4.1.4 of the MPIM, argues that extrapolation requires identification of a 50% error rate before it is appropriate. Archway concludes that if MFD reverses the majority of the errors identified during the

audit, the “error cannot certainly be considered ‘high’ as contemplated by CMS,” and as a result, “the statistical sampling must rerun with an appropriate error percentage in the appropriate universe.”

MFD’s Response No. 3

Archway’s challenge to MFD’s sample size is unsound because it does not take into account how the sample was selected or the precision level achieved. There is no universal standard for a minimum sample size. Sample size directly impacts the precision of the estimated overpayment. Here, MFD’s precision is 12.74% at the 90% confidence level, thus validating that MFD’s sample size was appropriate for this audit. MFD has enclosed a provider copy of the random sample and extrapolation data for Archway to review. This contains all relevant information, including the sampling plan, the universe, sample and review and a recovery summary. MFD utilizes the RAT-STATS program, the primary statistical tool for U.S. Office of the Inspector General’s Office of Audit Services, for sample size determination, random number generation, and extrapolation.

Archway’s reliance on the MPIM is misplaced. The MPIM was created for use by contractors performing audits of Medicare. *See* MPIM section 8.4.1.1. Even if the MPIM were binding, which it is not, Archway misconstrues the section it cited. The purpose of the section cited by Archway is to limit when Medicare contractors use extrapolation without permission from CMS, not to define all instances in which extrapolation is appropriate. The MPIM states that for extrapolation purposes, a high level of payment error is determined through a variety of means, not just a high-error rate. *See* MPIM section 8.4.1.1. The MPIM also states that “[f]ailure by a contractor to follow one or more of the requirements contained herein does not necessarily affect the validity of the statistical sampling that was conducted or the projection of the overpayment.” The MPIM acknowledges too that there are other circumstances not identified in the MPIM in which extrapolation may be appropriate and establishes a process for contractors to seek approval to use extrapolation. Simply put, the MPIM is not binding on MFD’s audit of a New Jersey Medicaid provider, but even if it were, it does not support Archway’s position.

MFD properly applied its findings to the universe of claims. MFD found that 108 of Archway’s claims were deficient, including the 86 mealtime claims and 22 claims billed for more units than its documentation supported. From that, MFD properly extrapolated to the universe of like claims to calculate the most likely overpayment amount, which is \$1,311,001.