
The Counseling Center Inc.

Clinical Narrative

IT Narrative

Enterprise Narrative



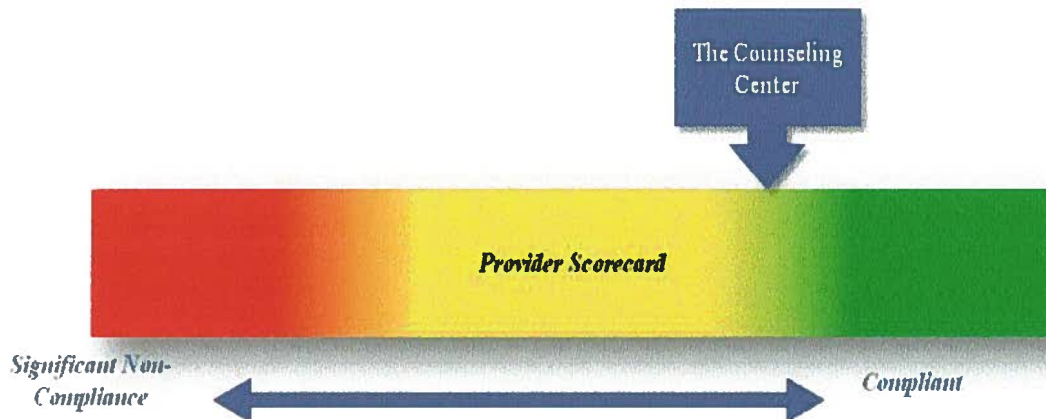
THE COUNSELING CENTER BEHAVIORAL HEALTH PROVIDER AUDIT

Case File Audit

Dates of Onsite Review	March 6 – 11, 2013
Main Point of Contact at Facility	Jim Kerlin, Chief Executive Officer
Extrapolated Date of Service Overpayments	\$612,663
Actual Longitudinal Overpayments	\$43,137
Total Overpayments	\$655,800

Scorecard results are as follows:

Random Sample Compliance Rate	Longitudinal Compliance Rate
83%	80%



This scorecard result translates to the following Risk Tier:

- | | |
|---|---|
| <p>2 Significant volume of findings that include missing documents</p> | <ul style="list-style-type: none"> • Provide trainings and clinical assistance as needed. • Potentially embed clinical management to improve processes. |
|---|---|



Provider Overview

Payer	\$ Claims Paid FY12	\$ Claims Paid Audit Period
BHSD	940,241	3,054,500
CYFD	47,531	127,226
Medicaid FFS	54,894	200,934
Medicaid MCO	846,114	2,934,261
NMCD	18,274	108,625
Other	3,365	115,508
Grand Total	1,910,419	6,541,053

Audit Team Observations

- Chief Executive Officer Jim Kerlin met the team at the site and an entrance conference was immediately held. Chief Operating Officer Sandra Wilder was also present at the entrance conference and was designated as the team's primary point of contact for data collection.
- Personnel files and supervision logs were produced in paper format within hours of the team's arrival onsite. The HR director explained the format of the personnel files and the PCG team manually pulled and scanned the necessary documentation.
- Clinical records were extracted from Anasazi, the organization's EHR system. Due to challenges with electronic transfer of the files, copies of the necessary documents were printed from the system and provided to the audit team in paper format for scanning and uploading. The audit team was not involved with the extraction of files from electronic systems.
- Counseling Center staff started extracting clinical files on the first day of the audit. They continued to extract files during the weekend, when the audit team was offsite, so that almost all of the files had been provided in paper format by the time of the team's return to the site on Monday.



- An exit conference was held with CEO Jim Kerlin on March 13. PCG reiterated that the onsite presence was for information gathering so no findings would be provided.
- Clinical Reviewers noted the following general findings:
 - Comprehensive Clinical Assessments were not always provided to determine/support medical necessity for the billed service.
 - Treatment plans were missing, not up to date, and/or not individualized per consumer.
 - Progress Notes/Recipient Documents were missing, incomplete, and insufficient of necessary information.

Random Date of Service Claim Review

PCG reviewed one hundred and fifty (150) random date of service claims for July 1, 2009 through January 31, 2013. Below is a table showing the relevant programs that were included in PCG's random audit sample and the resulting findings:

Procedure Code	Program Description	# of Claims Reviewed	\$ Value Claims Reviewed	# Claims Failed	\$ Value Claims Failed	% Claims Failed
90804	Outpatient—20-30 minutes	7	307	0	0	0.0%
90806	Outpatient—45-50 minutes	22	1,450	0	0	0.0%
90847	Family Therapy	5	393	0	0	0.0%
90853	Group Therapy	14	424	0	0	0.0%
90862	Medication Management	7	508	0	0	0.0%
H0002	Behavioral Health Screening	5	248	1	40	20.0%
H0015	Intensive Outpatient Program	5	661	0	0	0.0%
H0031	Mental Health Assessment	6	1,627	0	0	0.0%
H2010	RN Medication Monitoring	14	1,033	0	0	0.0%
H2011	Crisis Intervention Services	5	403	0	0	0.0%
H2015	HO, HN, HM—CCSS	40	2,626	17	803	42.5%



H2017	Psychosocial Rehabilitation	13	1,813	6	803	46.2%
T1007	Behavioral Health Treatment Plan Update	7	792	2	228	28.6%
Grand Total		150	12,284	26	1,873	17.3%

Specific Random Sample Review Findings

For each program reviewed, PCG identified the level of compliance and any specific areas of concern. Below is a table showing each of the non-compliant claims PCG validated, the reason(s) why the claim was found to be out of compliance, and the area(s) of concern PCG identified:



(Recipient Initials Redacted to protect identity) (-)

Proc Code	Recipient DOS	Assessment / Screening	Treatment Plan	Service Delivery	Psych / Progress Notes	Billing	Staffing	Consent Forms	Pharma	Other	Comments
90862	06/26/2012	Pass	Pass	Pass	Fail	Pass	Pass	Fail	NA	NA	No documentation of client's progress or lack of. No documentation of Informed consent for medication.
H0002	01/17/2012	Fail	NA	NA	NA	NA	Pass	NA	NA	NA	No documentation of family or collateral involvement.
H2010	06/02/2010	Pass	Pass	Pass	Pass	Pass	Pass	Fail	NA	NA	No documentation of Informed Consent for Medication.
H2015	05/06/2011	Pass	Pass	Fail	Fail	NA	Pass	NA	NA	NA	Client called CSW about medication refills. No documentation of client's risk assessment.
H2015	09/27/2011	Pass	Pass	Pass	Fail	NA	Fail	NA	NA	NA	
H2015	09/07/2012	Pass	Pass	Fail	Pass	NA	Pass	NA	NA	NA	Client called staff on re-scheduling appointments.
H2015	03/23/2011	Pass	Pass	Fail	Pass	NA	Pass	NA	NA	NA	Contact made via phone.
H2015	12/08/2010	Fail	Fail	Fail	Fail	NA	Fail	NA	NA	NA	No documentation of Assessment or Treatment Plan in this file. Billed Code is for CCSS but service was Crisis Intervention. Billed Code is for CCSS but service was Crisis Intervention. Staff is not on providers list.
H2015	08/18/2009	Pass	Pass	Fail	Pass	NA	Pass	NA	NA	NA	Met with CSW at office.
H2015	03/31/2011	Pass	Pass	Pass	Pass	NA	Fail	NA	NA	NA	Staff is not listed and unknown as to her qualifications.
H2015	08/16/2012	Pass	Pass	Fail	Pass	NA	Pass	NA	NA	NA	CSW met with client at center.
H2015	02/10/2010	Pass	Pass	Fail	Pass	NA	Fail	NA	NA	NA	Client met with CSW at the center. Unknown history of CSW, not on list. Unknown history of CSW, not on list.
H2015	12/01/2009	Pass	Pass	Fail	Pass	NA	Pass	NA	NA	NA	Treatment Plan Update meeting held at CSW office.



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Proc Code	Recipient DOS	Assessment / Screening	Treatment Plan	Service Delivery	Psych / Progress Notes	Billing	Staffing	Consent Forms	Pharma	Other	Comments
H2015	03/11/2010	Pass	Pass	Pass	Fail	NA	Pass	NA	NA	NA	6 units billed inappropriately as the progress note documents 3 units but same note entered two times and billed twice.
H2015	03/30/2010	Pass	Pass	Pass	Fail	NA	Pass	NA	NA	NA	Two progress notes, same day, one at 2:30-3:00pm and another at 6:00-6:30pm but both notes typed at 4:37pm same day as the notes. Notes are almost duplicate in wording.
H2015	07/20/2011	Pass	Pass	Pass	Fail	NA	Pass	NA	NA	NA	Progress note documents case closure due to no contact/loss of contact with client.
H2015	02/24/2012	Pass	Pass	Fail	Fail	NA	Pass	NA	NA	NA	CSW called collateral contacts regarding client. No documentation of client's safety.
H2015	03/01/2012	Pass	Pass	Fail	Pass	NA	Pass	NA	NA	NA	Telephone contact to remind client of appointment.
H2015	06/14/2010	Pass	Pass	Fail	Pass	NA	Pass	NA	NA	NA	Client met with CSW at the office as a scheduled appointment.
H2017	09/09/2009	Pass	Pass	Pass	Pass	Fail	Pass	NA	NA	NA	Staff does not meet the required trainings.
Proc Code	Recipient DOS	Assessment / Screening	Treatment Plan	Service Delivery	Psych / Progress Notes	Billing	Staffing	Consent Forms	Pharma	Other	Comments
H2017	10/29/2010	Pass	Pass	Pass	Pass	Fail	Pass	NA	NA	NA	Staff is listed as not qualified.
H2017	09/10/2009	Pass	Pass	Pass	Pass	Fail	Pass	NA	NA	NA	Staff is not qualified /has not met required trainings.
H2017	10/22/2010	Pass	Pass	Pass	Pass	Fail	Pass	NA	NA	NA	Staff is listed as not qualified.
H2017	06/20/2012	Pass	Pass	Pass	Pass	Fail	Pass	NA	NA	NA	Staff not qualified or did not meet training requirements.
T1007	08/25/2010	NA	Fail	NA	NA	NA	Pass	NA	NA	NA	Inappropriate billing for case closure due to lost contact with client. Inappropriate billing for case closure due to lost contact with client. Inappropriate billing for case closure due to lost contact with client. Case was closed. Inappropriate billing for case closure due to lost contact with client.



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T1007	03/28/2012	NA	Fail	NA	NA	NA	NA	Pass	NA	NA	NA
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Sampling Definition: Sampling is a statistical technique designed to produce a subset of elements drawn from a population, which represents the characteristics of that population. The goal of sampling is to determine the qualities of the population without examining all the elements in that population. Random selection of claims is necessary in order to produce a valid sample. In a random sample, claims are selected from a population in such a way that the sample is unbiased and closely reflects the characteristics of the population.

Sampling Frame Size: Total number of claims from universe of claims from which the sample was selected.

Sampling Unit: The entire claim amount.

Time Period: 7/1/2009 – 1/31/2013

Sample Size: Sample size is 150 claims.

Extrapolation: The overpayment was identified using the lower bound of the 90% confidence interval.

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Sample Size	150
Total Paid for Sample	\$12,284
Sampling Frame Size	78,965
Number of Sample Claims with Overpayments	26
Tentative Overpayment Using Lower Bound of the 90% Confidence Interval	\$612,663

Longitudinal File Review

PCG selected between one and five of high risk procedure codes at each reviewed provider and then selected the five recipients who accounted for the highest dollar billing associated with each selected procedure code. PCG then performed an administrative and clinical review of 100 percent of the claims associated with each selected procedure code and recipient which were paid



during calendar year 2012. Below is a table showing the relevant programs that were included in PCG's longitudinal file review and the resulting findings:

Proc Code	Program Description	# of Cases Reviewed	# Claims Reviewed	\$ Claims Reviewed	# Claims Failed	\$ Value Claims Failed	% Claims Failed
H2015	HO, HN, HM—CCSS	5	520	30,693	71	4,315	13.7%
H2017	Psychosocial Rehabilitation	5	1,009	163,178	234	38,821	23.2%
Grand Total		10	1,529	193,871	305	43,137	20.0%

Provider Credential Review

For all random date of service claims and longitudinal files reviewed, PCG requested provider credential information for each of the clinicians or other staff that had rendered the service. The table below shows the number of staff reviewed by provider type:

Provider Type	# Reviewed
Community Support Worker	14
Therapist	17
Nurse	3
Psychiatrist	1
Psychosocial Rehabilitation	4
Unknown/Other	2
Total Staff Reviewed	41

IT/Billing Systems Audit

System Overview

The Counseling Center utilizes the Anasazi System for most of its medical records and billing. The system is used by all of the Rio Grande Network, and while each installation is administered by the individual agency, the differences are really superficial, such as:

- The way menus are customized to be displayed per the user roles,
- How user roles are defined,
- The customization and scheduling of reports and
- When certain system enhancements are implemented in each agency.

Individual agencies can decide what system upgrades are implemented and in what order. Most agencies in the Rio Grande system stay one to three updates behind the most recent. Each site generally deploys the updates to development installations to test and verify the updates before they are deployed into production.

The software is installed on the TCC Microsoft Window Network and is primarily accessed through the Citrix system, which allows all administrative and clinical staff to access the system from any computer.

Anasazi would not allow TCC (nor any provider) to disclose any training or systems documentation to our auditors, claiming it was proprietary.

Bill Processing

On a simple level, after services are provided to the client, the clinician updates the file with notes and the time and date of encounter. The Anasazi software processes this information and calculates the number of units that the service should be billed for, and what HCPCS/CPT code should be assigned to the service, using the service provided and start and stop times of the service.

The service is processed by the Anasazi system and transformed into an 837 billing format, which is uploaded to Optum health through the Optum Netwerkes system.

PCG auditors discussed IT with staff on March 5 & 6, 2013 and continued to receive information from TCC staff through March 13.

IT Contacts

- Sandra Wilder, COO, Clinical Director
- David Souder, IT Specialist
- Crystal Sampson, Billing Consultant
- Chris Moffat, IT Director, Rio Grande Behavioral Health Services, Inc.

Application Controls - System Walkthrough

Administration and Segregation of Duties

There are two systems that TCC users access: the Microsoft Windows Network and the Anasazi System. The Anasazi system is accessible both through the Windows network and through any computer that is connected to the internet. For that reason, PCG will only discuss Anasazi access in this report; the Windows network users are held in audit documentation collected by PCG for any required future reference.

User Roles

System Admin Group: Can add users and configure data sheets for health plans and services.

1. Chrystal Sampson, Rio Grande Behavioral Services
2. Cheryl Otero-Baker, Administrative Office Manager
3. Chris Moffat, Rio Grande Behavioral Services
4. Jaime Alvarez, Southwest Counseling

Administrative Group: Can configure data sheets for health plans and services.

1. David Souder
2. Bethany Akeroyd
3. Ashley Whitley

Medical Records and Intake Groups: Records Clerks and Intake Staff have appropriate administrative levels of access to records; primarily administrative and demographic records and read only for clinical information.

Clinical Group: All clinicians who bill are in the Clinical Group. They can enter clinical service provision to the system.

CQI Group: QI Manager is in this group.

Clinical Supervisors Group: Clinical Supervisors.



Rio Grande Supervisors Group:

Supervisory staff from Rio Grande Behavioral Health Services are provided with supervisory roles due to the management services agreement with TCC.

1. Cooper, Tammy
2. Lara, Maria
3. Sandoval, Dexter

Auditors Group: No staff at TCC currently have the Auditor Role, but TCC has established four Auditor accounts should auditors need access.

IT Strengths and Weaknesses

Strengths

- TCC's billing applications are available from any computer connected to the internet via Citrix, which make for ease of use from any computer and maintains a uniformly enforced security policy.
- Users do not share login accounts.
- The Anasazi software offers sequestration of clinical information so that users' roles determine the kind of information each user may have access to on a *per client* basis. For example, a front office clerk may have access to certain demographic information, but
- Each clinician enters his own billing information.
- Each clinician does not know what CPT/HCPCS codes are used for billing the service provided.
- Anasazi software calculates units billed based on start and end times recorded by the clinician.
- Anasazi software allows for members of a group therapy session to arrive and leave at different times, allowing for more accurate tracking group services, and therefore billing.

Weaknesses

- The point of entry to the claims payment system provides the ability to change any billing from what the clinician entered. The 837 can be changed when connected to Optum Netwerkes. The person uploading the 837 can make any changes to billing with no audit trail.
- Training is done mostly on an *ad hoc* basis.



Recommendations

- Create audit trail for any changes made to 837 files when they are uploaded to the clearinghouse.
- Develop formalized training system for all users who create charge entry and billing.



Enterprise Audit

Provider Specific Methodology

PCG utilized a consistent, systematic approach to conducting the enterprise audit of The Counseling Center. PCG began by locating The Counseling Center's legal entity, its officers, and organizers. PCG also reviewed initial founding and leadership information on The Counseling Center.

PCG located and reviewed The Counseling Center's audited financial statements and tax data. PCG recorded and reviewed recent officers, key employees, and independent contractors. PCG also searched for other entities owned by key employees and contractors. PCG located related parties and analyzed both the parties and the relationships, reviewing for potential conflicts of interest.

PCG assembled the financial data and analyzed it, looking at key ratios, trends, and tracking variances. PCG tracked the organization's addresses and reviewed ownership of property online or through the county assessor's office. Finally, PCG performed media and court record searches on the organization or related individuals.

Audit Observations

The Counseling Center provides mental health services to Otero and Lincoln Counties. The organization also provides clinical experience for students in New Mexico State University's Alamogordo nursing program.

Key Staff

First Name	Last Name	Position
Fred	Baker	President
Lulu	Valdez	VP
Noel	Brewer	Secretary
Donna	Dulmaine	Member
Ferial	Abood	Member
James R.	Kerlin, Jr	CEO
Sandra	Wilder	COO



Financial Relationships

The Counseling Center contracts with Rio Grande Behavioral Health Services, Inc. (RGBHS) for the provision of accounting, billing, and human resources functions. The organization paid RGBHS \$168,000 for these services in 2010¹. Rio Grande is a provider sponsored network and each organization’s board members serve as rotating members of the RGBHS board. While RGBHS receives monthly fees from its members, it has also distributed various grants back to its members.

In addition, The Counseling Center contracts with Rio Grande Management, LLC (RGM) paying \$139,000 for management services (2010). These include legal services and the provision of executive management. Providence Service Corporation fully owns RGM. Providence is a large, for-profit national corporation providing government sponsored social services directly or indirectly through managed local entities. Providence’s network originated in Arizona and has developed a network of providers serving 70,000 clients in the US and Canada. The Executive Director of this organization is an employee of Providence Service Corporation.

In 2011, Executive Director, James Kerlin was paid \$168,000 from this related organization.

Summary of Findings and Recommendations

Findings	Recommendations
In disclaimers, Rio Grande/Providence member organizations state that management staff may have other responsibilities to Providence. These arrangements make it unclear if the executives charged by Providence are part or full time for this organization. Moreover, without full disclosure, it is difficult to determine if the salaries or fees are reasonable. On the surface,	Full disclosure of executive effort, compensation and benefits should be revealed for this organization and for its services to Providence Service Corporation.

¹ Most recent year for which representative payments for both behavioral health and management services were reported.



<p>the arrangements and amounts paid appear reasonable, but this weak and abnormal public disclosure may have the effect of masking excessive compensation or benefits. In addition, these arrangements circumvent federal disclosure requirements for charities filing Form 990 and make it difficult for the public to benchmark charitable organizations.</p>	
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List of Key Documentation Reviewed

Document/Source	Year (if applicable)
Audited Financial Statements	2012, 2011, 2010
Form 990 (Nonprofit filing)	2011, 2010, 2009
Contracts	
Organizational Charts	

Balance Sheet	2009	2010	2011
Assets			
Cash & cash equivalents	\$ 687,129.00	\$ 234,513.00	\$ 221,188.00
Accounts receivable, less allowance for doubtful accts of \$20k (2009); \$10k (2010); \$10k (2012)	\$ 292,399.00	\$ 198,407.00	\$ 195,602.00
Employee receivable	\$ -	\$ -	\$ 900.00
Prepaid expenses	\$ 12,467.00	\$ 10,696.00	\$ 12,310.00
Land	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Building & improvements	\$ 1,041,730.00	\$ 1,041,730.00	\$ 1,041,730.00
Computer equipment	\$ 72,795.00	\$ 72,795.00	\$ 72,795.00
Office equipment	\$ 181,628.00	\$ 181,628.00	\$ 181,628.00
Vehicles	\$ 75,699.00	\$ 56,451.00	\$ 56,451.00
Less accumulated depreciation	\$ (617,624.00)	\$ (636,174.00)	\$ (668,890.00)
Total Assets	\$1,846,223.00	\$1,260,046.00	\$1,213,714.00
Liabilities			
Accounts Payable	\$ 516,531.00	\$ 51,666.00	\$ 55,228.00
Accrued expenses	\$ 63,149.00	\$ 31,866.00	\$ 32,142.00



Deferred revenues	\$ 2,043.00	\$ -	\$ -
Note payable-current portion	\$ 46,201.00	\$ 27,235.00	\$ 22,173.00
Notes payable, net of current	\$ 556,158.00	\$ 534,923.00	\$ 512,420.00
Total Liabilities	\$1,184,082.00	\$ 645,690.00	\$ 621,963.00
Net Assets	\$ 662,141.00	\$ 614,356.00	\$ 591,751.00
Total Liabilities and Net Assets	\$1,846,223.00	\$1,260,046.00	\$1,213,714.00



Income Statement	2009	2010	2011
Revenue			
Grants/contracts	\$ 1,670,949.00	\$ 1,381,913.00	\$ 2,280,139.00
Contributions & fees	\$ 1,079,970.00	\$ 1,063,861.00	\$ 131,940.00
Interest income	\$ 2,704.00	\$ 7,511.00	\$ 551.00
Miscellaneous income	\$ 16,350.00	\$ 30,008.00	\$ 7,342.00
Total Revenues and Support	\$2,769,973.00	\$2,483,293.00	\$ 2,419,972.00
Expenses			
Program expenses	\$ 2,477,556.00	\$ 2,278,595.00	\$ 2,199,805.00
Admin expenses	\$ 255,044.00	\$ 235,344.00	\$ 226,008.00
Fundraising	\$ 18,393.00	\$ 17,139.00	\$ 16,765.00
Total Expenses	\$2,750,993.00	\$2,531,078.00	\$ 2,442,578.00
Change in Net Assets	\$ 18,980.00	\$ (47,785.00)	\$ (22,605.00)
Net Assets, beginning of year	\$ 643,161.00	\$ 662,141.00	\$ 614,356.00
Net Assets, end of year	\$ 662,141.00	\$ 614,356.00	\$ 591,751.00