



NEW YORK STATE
DEPARTMENT OF HEALTH
OFFICE OF THE MEDICAID INSPECTOR GENERAL

REVIEW OF NARCO FREEDOM, INC.
CLAIMS FOR OUTPATIENT CHEMICAL DEPENDENCE SERVICES
PAID FROM
JANUARY 1, 2003 – DECEMBER 31, 2004
AND
JANUARY 1, 2007 – DECEMBER 31, 2007

FINAL AUDIT REPORT
AUDIT #: 08-2832

James C. Cox
Medicaid Inspector General

May 13, 2014



STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
90 Church Street, 14th Floor
New York, New York 10007

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

May 13, 2014

[REDACTED]
Narco Freedom, Inc.
250 Grand Concourse
Bronx, New York 10451

Re: Final Audit Report
Audit #: 08-2832
Provider ID #: [REDACTED]
FEIN: [REDACTED]
NPI #: [REDACTED]

Dear [REDACTED]

Enclosed is the Office of the Medicaid Inspector General (OMIG) final audit report entitled "Review of Narco Freedom, Inc." (Provider) paid claims for outpatient chemical dependence services covering the period January 1, 2003, through December 31, 2004, and January 1, 2007, through December 31, 2007. The U.S. Department of Health and Human Services, Office of Inspector General, Office of Audit Services provided valuable assistance to the OMIG in the completion of this audit.

In the attached final audit report, the OMIG has detailed our scope, procedures, laws, regulations, rules and policies, sampling technique, findings, provider rights, and statistical analysis.

The OMIG has attached the sample detail for the paid claims determined to be in error. This final audit report incorporates consideration of any additional documentation and information presented in response to the revised draft audit report dated January 23, 2014. The mean point estimate overpaid is \$1,334,112. The lower confidence limit of the amount overpaid is \$787,121. We are 95% certain that the actual amount of the overpayment is greater than the lower confidence limit. This audit may be settled through repayment of the lower confidence limit of \$787,121.

If the Provider has any questions or comments concerning this final audit report, please contact [REDACTED] or through email at [REDACTED]. Please refer to report number 08-2832 in all correspondence.

Sincerely,

[REDACTED]

Division of Medicaid Audit, New York City
Office of the Medicaid Inspector General

cc:

[REDACTED]

Enclosure

CERTIFIED MAIL [REDACTED]
RETURN RECEIPT REQUESTED

OFFICE OF THE MEDICAID INSPECTOR GENERAL

www.omig.ny.gov

The mission of the Office of the Medicaid Inspector General (OMIG), as mandated by New York Public Health Law § 31 is to preserve the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds.

DIVISION OF MEDICAID AUDIT

The Division of Medicaid Audit professional staff conducts audits and reviews of Medicaid providers to assess compliance and program requirements and, where necessary, to recover overpayments. These activities are done to monitor the cost-effective delivery of Medicaid services for prudent stewardship of scarce dollars; to assess the required involvement of professionals in planning care to program beneficiaries; safeguard the quality of care, medical necessity and appropriateness of Medicaid services provided; and, to reduce the potential for fraud, waste and abuse.

DIVISION OF MEDICAID INVESTIGATIONS

The Division of Medicaid Investigations (DMI) investigates potential instances of fraud, waste, and abuse in the Medicaid program. DMI deters improper behavior by inserting covert and overt investigators into all aspects of the program, scrutinizing provider billing and services, and cooperating with other agencies to enhance enforcement opportunities. Disreputable providers are removed from the program or prevented from enrolling. Recipients abusing the system are not removed from this safety net, but their access to services is examined and restricted, as appropriate. DMI maximizes cost savings, recoveries, penalties, and improves the quality of care for the state's most vulnerable population.

DIVISION OF TECHNOLOGY AND BUSINESS AUTOMATION

The Division of Technology and Business Automation will continue to support the data needs for the OMIG in the form of audit and investigative support, data mining and analysis, system match and recovery, through the use of commercial data mining products and procurement of expert service consultants.

OFFICE OF COUNSEL TO THE MEDICAID INSPECTOR GENERAL

The Office of Counsel to the Medicaid Inspector General promotes the OMIG's overall statutory mission through timely, accurate and persuasive legal advocacy and counsel.

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The federal and state governments jointly fund and administer the Medicaid program. In New York State, the Department of Health (DOH) administers the Medicaid program. As part of this responsibility, the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are conducted to determine if the provider complied with applicable laws, regulations, rules and policies of the Medicaid program as set forth by the Departments of Health and Mental Hygiene [Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the Medicaid Provider Manuals.

Outpatient chemical dependence services are provided in either hospital-based or free-standing settings. Regardless of the setting in which they are provided, these services must be furnished in one of two distinct programs: an outpatient chemical dependence clinic program or an outpatient chemical dependence rehabilitation program. The purpose of outpatient programs for individuals with a diagnosis of chemical dependence is to provide medical evaluation, clinical care management, clinical services, and rehabilitation services. The specific standards and criteria for chemical dependence clinics are outlined in Title 14 NYCRR Part 822 and Title 18 NYCRR Section 505.27. The MMIS Provider Manual for Clinics also provides program guidance for claiming Medicaid reimbursement for chemical dependence services.

PURPOSE AND SCOPE

The purpose of this audit was to determine whether the Provider's claims for Medicaid reimbursement for outpatient chemical dependence services complied with applicable federal and state laws, regulations, rules and policies governing the New York State Medicaid Program. With respect to outpatient chemical dependence services, this audit covered services paid by Medicaid from January 1, 2003, through December 31, 2004, and January 1, 2007, through December 31, 2007.

SUMMARY OF FINDINGS

We inspected a random sample of 150 services with \$13,056.87 in Medicaid payments for recipients who had 65 or more services in a calendar year. Of the 150 services in our random sample, 15 services had at least one error and did not comply with state requirements. Of the 15 noncompliant services, some contained more than one deficiency. Specifics are as follows:

<u>Error Description</u>	<u>Number of Errors</u>
No Service Provided	8
Missing Treatment Plan Review	5
Missing Progress Note	2
Missing/Late Initial Individual Treatment Plan	1
Duration of Visit Not Documented	1

Based on the procedures performed, the OMIG has determined the Provider was overpaid \$1,303.75 in sample overpayments with an extrapolated point estimate of \$1,334,112. The lower confidence limit of the amount overpaid is \$787,121.

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INTRODUCTION

BACKGROUND

Medicaid Program

Pursuant to Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State governments jointly fund and administer the Medicaid program.

New York State's Medicaid Program

In New York State, the Department of Health (DOH) is the State agency responsible for operating the Medicaid program. Within DOH, the Office of Health Insurance Programs administers the Medicaid program. DOH uses the electronic Medicaid New York Information system (eMedNY), a computerized payment and information reporting system, to process and pay Medicaid claims, including outpatient chemical dependence services claims.

As part of this responsibility, the OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are conducted to determine if the provider complied with applicable laws, regulations, rules and policies of the Medicaid program as set forth by the Departments of Health and Mental Hygiene [Titles 10, 14 and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York] and the Medicaid Provider Manuals.

New York State's Outpatient Chemical Dependence Services Program

Outpatient chemical dependence services are provided in either hospital-based or free-standing settings. Regardless of the setting in which they are provided, these services must be furnished in one of two distinct programs: an outpatient chemical dependence clinic program or an outpatient chemical dependence rehabilitation program. The purpose of outpatient programs for individuals with a diagnosis of chemical dependence is to provide medical evaluation, clinical care management, clinical services, and rehabilitation services. The specific standards and criteria for chemical dependence clinics are outlined in Title 14 NYCRR Part 822 and Title 18 NYCRR Section 505.27. The MMIS Provider Manual for Clinics also provides program guidance for claiming Medicaid reimbursement for chemical dependence services.

PURPOSE, SCOPE, AND METHODOLOGY

Purpose

The purpose of this audit was to determine whether the Provider's claims for Medicaid reimbursement for outpatient chemical dependence services complied with applicable Federal and State laws, regulations, rules and policies governing the New York State Medicaid Program and to verify that:

- Medicaid reimbursable services were rendered for the dates billed;
- appropriate rate or procedure codes were billed for services rendered;
- patient related records contained the documentation required by the regulations; and,

- claims for payment were submitted in accordance with DOH regulations and the appropriate Provider Manuals.

Scope

Our audit period covered payments to the Provider for outpatient chemical dependence services paid by Medicaid from January 1, 2003, through December 31, 2004, and January 1, 2007, through December 31, 2007. Our audit universe consisted of 153,736 claims totaling \$13,383,626.12 for recipients who had 65 or more services in a calendar year.

During our audit, we did not review the overall internal control structure of the Provider. Rather, we limited our internal control review to the objective of our audit.

Methodology

To accomplish our objective, we:

- reviewed applicable federal and state laws, regulations, rules and policies;
- held discussions with the Provider's management personnel to gain an understanding of the outpatient chemical dependence services program;
- ran computer programming application of claims in our data warehouse that identified 153,736 paid outpatient chemical dependence services claims, totaling \$13,383,626.12 for recipients who had 65 or more services in a calendar year;
- selected a random sample of 150 services from the population of 153,736 services; and,
- estimated the overpayment paid in the population of 153,736 services.

For each sample selection we inspected, as available, the following:

- Medicaid electronic claim information
- Patient record, including, but not limited to:
 - Treatment Plans and Treatment Plan Reviews
 - Comprehensive Evaluations
 - Medical Histories and Physical Examinations
 - OASAS Level of Care Determinations
- Progress Notes:
 - Group Attendance Sheets (if available)
 - Patient Schedules
 - Discharge Plans and Discharge Summary
- Any additional documentation deemed by the Provider necessary to substantiate the Medicaid paid claim

LAWS, REGULATIONS, RULES AND POLICIES

The following are applicable Laws, Regulations, Rules and Policies of the Medicaid program referenced when conducting this audit:

- Departments of Health and Mental Hygiene [Titles 10, 14, and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York (10 NYCRR, 14 NYCRR, 18 NYCRR)].
- Medicaid Management Information System and eMedNY Provider Manual.
- Specifically, Title 18 NYCRR Section 540.6, Title 14 NYCRR Part 822, and Title 18 NYCRR Section 505.27.
- In addition to any specific detailed findings, rules and/or regulations which may be listed below, the following regulations pertain to all audits:

Regulations state: "By enrolling the provider agrees: (a) to prepare and to maintain contemporaneous records demonstrating its right to receive payment . . . and to keep for a period of six years from the date the care, services or supplies were furnished, all records necessary to disclose the nature and extent of services furnished and all information regarding claims for payment submitted by, or on behalf of, the provider . . . (e) to submit claims for payment only for services actually furnished and which were medically necessary or otherwise authorized under the Social Services Law when furnished and which were provided to eligible persons; (f) to submit claims on officially authorized claim forms in the manner specified by the department in conformance with the standards and procedures for claims submission; . . . (h) that the information provided in relation to any claim for payment shall be true, accurate and complete; and (i) to comply with the rules, regulations and official directives of the department."
18 NYCRR Section 504.3

Regulations state: "Fee-for-service providers. (1) All providers . . . must prepare and maintain contemporaneous records demonstrating their right to receive payment . . . All records necessary to disclose the nature and extent of services furnished and the medical necessity therefor . . . must be kept by the provider for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later. (2) All information regarding claims for payment submitted by or on behalf of the provider is subject to audit for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later, and must be furnished, upon request, to the department . . . for audit and review."
18 NYCRR Section 517.3(b)

Regulations require that bills for medical care, services and supplies contain patient name, case number and date of service; itemization of the volume and specific types of care, services and supplies provided; the unit price and total cost of the care, services and supplies provided; and a dated certification by the provider that the care, services and supplies itemized have been in fact furnished; that the amounts listed are in fact due and owing; that such records as are necessary to disclose fully the extent of care, services and supplies provided to individuals under the New York State Medicaid program will be kept for a period of not less than six years from the date of payment; and that the provider understands that payment and satisfaction of this claim will be from Federal, State and local public funds and that he or she may

be prosecuted under applicable Federal and State laws for any false claims, statements or documents, or concealment of a material fact provided.

18 NYCRR Section 540.7(a)(1)-(3) and (8)

Regulations state: "An overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake."

18 NYCRR Section 518.1(c)

Regulations state: "Vendor payments for medical care and other items of medical assistance shall not be made unless such care or other items of assistance have been furnished on the basis of the appropriate authorization prescribed by the rules of the board and regulations of the department."

18 NYCRR Section 540.1

Regulations state: "The department may require repayment from the person submitting an incorrect or improper claim, or the person causing such claim to be submitted, or the person receiving payment for the claim."

18 NYCRR Section 518.3(a)

Regulations state: "The department may require repayment for inappropriate, improper, unnecessary or excessive care, services or supplies from the person furnishing them, or the person under whose supervision they were furnished, or the person causing them to be furnished...."

18 NYCRR Section 518.3(b)

Regulations state: "Medical care, services or supplies ordered or prescribed will be considered excessive or not medically necessary unless the medical basis and specific need for them are fully and properly documented in the client's medical record."

18 NYCRR Section 518.3(b)

DETAILED FINDINGS

The OMIG's review of Medicaid claims paid to the Provider from January 1, 2003, through December 31, 2004, and January 1, 2007, through December 31, 2007, identified 15 claims with at least one error, for a total sample overpayment of \$1,303.75 (Attachment C).

Sample Selection

- 1. No Service Provided** 42, 63, 78, 80, 88, 89, 144, 149

Regulations state, "All occasions of service provided during a visit must be documented in the patient's treatment record."

18 NYCRR Section 505.27(b)(5)

Furthermore, "The content and/or outcome of all visits must be fully documented in the individual patient or significant other's treatment record."

14 NYCRR Section 822.10(f)

Furthermore, "The content and/or outcome of all visits must be fully documented in the individual patient or significant other's treatment record."

14 NYCRR Section 822.11(f)

In 8 of 150 services reviewed, the patient record did not document that a service was provided.

- 2. Missing Treatment Plan Review** 6, 33, 88, 116, 125

Regulations state, "The entire treatment plan, once established, shall be thoroughly reviewed and revised at least every ninety calendar days thereafter ..."

14 NYCRR Section 822.4(n)

In 5 of 150 services reviewed, the required treatment plan review was not completed.

- 3. Missing Progress Note** 69, 102

Regulations state, "Progress notes shall be written at least every five visits or twice per month, whichever comes first, unless the patient is scheduled less frequently than twice per month, in which case a progress note shall be written after every session."

14 NYCRR Section 822.4(s)

Sample Selection

Regulations state, "Progress notes shall be written at least every five visits or twice per month, whichever comes first, unless the patient is scheduled less frequently than twice per month, in which case a progress note shall be written after every session."

14 NYCRR Section 822.4(s)

In 2 of 150 services, reviewed, there was no progress note that related to the services billed.

4. Missing/Late Initial Individual Treatment Plan 48

Regulations state, "Within 30 days of admission to an outpatient service, a written individual treatment plan (the treatment plan) for each patient based on the comprehensive evaluation shall be developed by the primary counselor or the primary therapist and reviewed and approved by the multidisciplinary team."

14 NYCRR Section 822.4(f)

In 1 of 150 services reviewed, the required individual treatment plan was not completed.

5. Duration of Visit Not Documented 102

Regulations state, "An attendance note shall document the date, type and duration of the service provided."

14 NYCRR Section 822.4(r)

In 1 of 150 services reviewed, the record did not indicate the duration of the visit.

PROVIDER RIGHTS

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below. If you decide to repay the lower confidence limit amount of \$787,121, one of the following repayment options must be selected within 20 days from the date of this letter:

OPTION #1: Make full payment by check or money order within 20 days of the date of the final audit report. The check should be made payable to the New York State Department of Health and be sent with the attached Remittance Advice to:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #08-2832
Albany, New York 12237

OPTION #2: Enter into a repayment agreement with the Office of the Medicaid Inspector General. If your repayment terms exceed 90 days from the date of the final audit report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. If the process of establishing the repayment agreement exceeds 20 days from the date of the final audit report, the OMIG will impose a 50% withhold after 20 days until the agreement is established. OMIG acceptance of the repayment agreement is based on your repaying the Medicaid overpayment as agreed. The OMIG will adjust the rate of recovery, or require payment in full, if your unpaid balance is not being repaid as agreed. In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against any amount owed. If you wish to enter into a repayment agreement, please contact the Bureau of Collections Management within 20 days at the following:

Bureau of Collections Management
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

[REDACTED]
If you choose not to settle this audit through repayment of the lower confidence limit, you have the right to challenge these findings by requesting an administrative hearing where the OMIG would seek and defend the point estimate of \$1,334,112. As allowed by state regulations, you must make your request for a hearing, in writing, within sixty (60) days of the date of this report to:

General Counsel
Office of Counsel
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, NY 12204

Questions regarding the request for a hearing should be directed to Office of Counsel, at [REDACTED]

Issues you may raise shall be limited to those issues relating to determinations contained in the final audit report. Your hearing request may not address issues regarding the methodology used to determine the rate, or any issue that was raised at a proceeding to appeal a rate determination.

At the hearing you have the right to:

- a) be represented by an attorney or other representative, or to represent yourself;
- b) present witnesses and written and/or oral evidence to explain why the action taken is wrong; and
- c) cross examine witnesses of the Department of Health and/or the OMIG.

The OMIG reserves the right to conduct further reviews of your participation in the Medicaid Program, take action where appropriate, and recover monies owed through the initiation of a civil lawsuit or other legal mechanisms including but not limited to the recovery of state tax refunds pursuant to Section 206 of the Public Health Law and Section 171-f of the State Tax Law.

**NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE**

NAME AND ADDRESS OF AUDITEE

[REDACTED]
Narco Freedom, Inc.
250 Grand Concourse
Bronx, New York 10451

PROVIDER ID [REDACTED]

AUDIT #08-2832

AMOUNT DUE: \$787.121

**AUDIT
TYPE**

PROVIDER
 RATE
 PART B
 OTHER:

CHECKLIST

1. To ensure proper credit, please enclose this form with your check.
2. Make checks payable to: *New York State Department of Health*
3. Record the Audit Number on your check.
4. Mail check to:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #08-2832
Albany, New York 12237

Thank you for your cooperation.

SAMPLE DESIGN

Our sample design used for Audit #08-2832 was as follows:

- **Universe** - Medicaid claims for outpatient chemical dependence services paid during the period January 1, 2003, through December 31, 2004, and January 1, 2007, through December 31, 2007, for recipients who had 65 or more services in a calendar year.
- **Sampling Frame** - The sampling frame for this objective is the Medicaid electronic database of paid Provider claims for outpatient chemical dependence services paid during the period January 1, 2003, through December 31, 2004, and January 1, 2007, through December 31, 2007, for recipients who had 65 or more services in a calendar year.
- **Sample Unit** - The sample unit is a Medicaid claim paid during the period January 1, 2003, through December 31, 2004, and January 1, 2007, through December 31, 2007, for recipients who had 65 or more services in a calendar year.
- **Sample Design** – Stratified sampling was used for sample selection.
- **Sample Size** – The sample size is 150 services for recipients who had 65 or more services in a calendar year.

SAMPLE RESULTS AND ESTIMATES

Universe Size	153,736
Sample Size	150
Sample Value	\$ 13,056.87
Sample Overpayments	\$ 1,303.75
Net Financial Error Rate	10.0%
Confidence Level	90%

Extrapolation of Sample Findings

Total Sample Overpayments	\$ 1,303.75
Sample Size	150
Mean Dollars in Error for Extrapolation Purposes	\$ 8.6917
Universe Size	153,736
Point Estimate of Total Dollars	\$ 1,334,112
Lower Confidence Limit	\$ 787,121

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 MARCO FREEDOM, INC.
 REVIEW OF OUTPATIENT CHEMICAL DEPENDENCE SERVICES
 PROJECT NUMBER: 08-2832
 REVIEW PERIOD: 01/01/03 - 12/31/04 & 01/01/07 - 12/31/07

Sample Number	Date of Service	Rate Code		Amount			Over Payment		DETAILED AUDIT FINDINGS				
		Billed	Derived	Paid	Derived	Extrapolated	Not-Extrapolated	1. No Service Provided	2. Missing Treatment Plan Review	3. Missing Progress Note	4. Missing/Late Initial Individual Treatment Plan	5. Duration of Visit Not Documented	
1	01/07/04	4275	4275	\$ 88.71	\$ 88.71	\$ -	\$ -	-					
2	01/10/04	4275	4275	88.71	88.71	-	-	-					
3	02/23/04	4275	4275	88.71	88.71	-	-	-					
4	02/23/04	4275	4275	88.71	88.71	-	-	-					
5	03/10/04	4275	4275	88.71	88.71	-	-	-					
6	03/12/04	4275	-	88.71	-	-	88.71	-		X			
7	03/17/04	4275	4275	88.71	88.71	-	-	-					
8	03/22/04	4275	4275	88.71	88.71	-	-	-					
9	03/24/04	4275	4275	88.71	88.71	-	-	-					
10	03/25/04	4275	4275	88.71	88.71	-	-	-					
11	03/29/04	4275	4275	88.71	88.71	-	-	-					
12	03/30/04	4275	4275	88.71	88.71	-	-	-					
13	03/31/04	4275	4275	88.71	88.71	-	-	-					
14	04/08/04	4275	4275	88.71	88.71	-	-	-					
15	04/12/04	4275	4275	88.71	88.71	-	-	-					
16	04/14/04	4275	4275	88.71	88.71	-	-	-					
17	04/16/04	4275	4275	88.71	88.71	-	-	-					
18	05/05/04	4275	4275	88.71	88.71	-	-	-					
19	05/06/04	4275	4275	88.71	88.71	-	-	-					
20	05/13/04	4275	4275	88.71	88.71	-	-	-					
21	05/24/04	4275	4275	88.71	88.71	-	-	-					
22	05/26/04	4275	4275	88.71	88.71	-	-	-					
23	06/10/04	4275	4275	88.71	88.71	-	-	-					
24	06/16/04	4275	4275	88.71	88.71	-	-	-					
25	06/17/04	4275	4275	88.71	88.71	-	-	-					

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Sample Number	Date of Service	Rate Code		Amount			Over Payment		DETAILED AUDIT FINDINGS				
		Billed	Derived	Paid	Derived	Extrapolated	Not-Extrapolated	1. No Service Provided	2. Missing Treatment Plan Review	3. Missing Progress Note	4. Missing/Late Initial Individual Treatment Plan	5. Duration of Visit Not Documented	
26	07/20/04	4275	4275	\$ 88.71	\$ 88.71	\$ -	\$ -	-					
27	07/29/04	4275	4275	88.71	88.71	-	-	-					
28	07/30/04	4275	4275	88.71	88.71	-	-	-					
29	08/08/04	4275	4275	88.71	88.71	-	-	-					
30	08/09/04	4275	4275	88.71	88.71	-	-	-					
31	08/13/04	4275	4275	88.71	88.71	-	-	-					
32	08/17/04	4275	4275	88.71	88.71	-	-	-					
33	08/26/04	4275	-	88.71	-	-	88.71	-	X				
34	08/27/04	4275	4275	88.71	88.71	-	-	-					
35	08/30/04	4275	4275	88.71	88.71	-	-	-					
36	09/08/04	4275	4275	88.71	88.71	-	-	-					
37	09/14/04	4275	4275	88.71	88.71	-	-	-					
38	09/15/04	4275	4275	88.71	88.71	-	-	-					
39	09/20/04	4275	4275	88.71	88.71	-	-	-					
40	09/20/04	4275	4275	88.71	88.71	-	-	-					
41	09/30/04	4275	4275	88.71	88.71	-	-	-					
42	10/08/04	4275	-	88.71	-	-	88.71	-	X				
43	10/09/04	4275	4275	88.71	88.71	-	-	-					
44	10/25/04	4275	4275	88.71	88.71	-	-	-					
45	10/30/04	4275	4275	88.71	88.71	-	-	-					
46	11/16/04	4275	4275	88.71	88.71	-	-	-					
47	11/18/04	4275	4275	88.71	88.71	-	-	-					
48	02/17/07	4275	-	88.71	-	-	88.71	-				X	
49	05/17/07	4275	4275	88.71	88.71	-	-	-					
50	05/23/07	4275	4275	88.71	88.71	-	-	-					

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		Billed	Derived	Paid	Derived	Extrapolated	Not-Extrapolated	1. No Service Provided	2. Missing Treatment Plan Review	3. Missing Progress Note	4. Missing/Late Initial Individual Treatment Plan	5. Duration of Visit Not Documented	
51	06/27/07	4275	4275	\$ 88.71	\$ 88.71	\$ -	\$ -						
52	08/03/07	4275	4275	88.71	88.71	-	-						
53	08/16/07	4275	4275	88.71	88.71	-	-						
54	10/01/07	4275	4275	88.71	88.71	-	-						
55	10/07/07	4275	4275	88.71	88.71	-	-						
56	01/08/03	4275	4275	87.22	87.22	-	-						
57	02/26/03	4275	4275	87.22	87.22	-	-						
58	02/27/03	4275	4275	87.22	87.22	-	-						
59	03/06/03	4275	4275	87.22	87.22	-	-						
60	03/18/03	4275	4275	87.22	87.22	-	-						
61	03/19/03	4275	4275	87.22	87.22	-	-						
62	03/19/03	4275	4275	87.22	87.22	-	-						
63	03/21/03	4275	-	87.22	-	-	87.22	X					
64	03/24/03	4275	4275	87.22	87.22	-	-						
65	03/29/03	4275	4275	87.22	87.22	-	-						
66	04/02/03	4275	4275	87.22	87.22	-	-						
67	04/04/03	4275	4275	87.22	87.22	-	-						
68	04/16/03	4275	4275	87.22	87.22	-	-						
69	04/21/03	4275	-	87.22	-	-	87.22			X			
70	05/09/03	4275	4275	87.22	87.22	-	-						
71	05/19/03	4275	4275	87.22	87.22	-	-						
72	06/05/03	4275	4275	87.22	87.22	-	-						
73	06/27/03	4275	4275	87.22	87.22	-	-						
74	06/27/03	4275	4275	87.22	87.22	-	-						
75	06/28/03	4275	4275	87.22	87.22	-	-						

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 MARCO FREEDOM, INC.
 REVIEW OF OUTPATIENT CHEMICAL DEPENDENCE SERVICES
 PROJECT NUMBER: 08-2832
 REVIEW PERIOD: 01/01/03 - 12/31/04 & 01/01/07 - 12/31/07

Sample Number	Date of Service	Rate Code		Amount		Over Payment		DETAILED AUDIT FINDINGS					
		Billed	Derived	Paid	Derived	Extrapolated	Not-Extrapolated	1. No Service Provided	2. Missing Treatment Plan Review	3. Missing Progress Note	4. Missing/Late Initial Individual Treatment Plan	5. Duration of Visit Not Documented	
76	07/02/03	4275	4275	\$ 87.22	\$ 87.22	\$ -	\$ -						
77	07/07/03	4275	4275	87.22	87.22	-	-						
78	07/17/03	4275	-	87.22	-	-	87.22	X					
79	07/22/03	4275	4275	87.22	87.22	-	-						
80	07/28/03	4275	-	87.22	-	-	87.22	X					
81	08/06/03	4275	4275	87.22	87.22	-	-						
82	08/20/03	4275	4275	87.22	87.22	-	-						
83	09/03/03	4275	4275	87.22	87.22	-	-						
84	09/25/03	4275	4275	87.22	87.22	-	-						
85	09/26/03	4275	4275	87.22	87.22	-	-						
86	09/29/03	4275	4275	87.22	87.22	-	-						
87	10/02/03	4275	4275	87.22	87.22	-	-						
88	10/06/03	4275	-	87.22	-	-	87.22	X	X				
89	10/10/03	4275	-	87.22	-	-	87.22	X					
90	10/11/03	4275	4275	87.22	87.22	-	-						
91	10/20/03	4275	4275	87.22	87.22	-	-						
92	10/23/03	4275	4275	87.22	87.22	-	-						
93	10/25/03	4275	4275	87.22	87.22	-	-						
94	12/23/03	4275	4275	87.22	87.22	-	-						
95	01/04/07	4275	4275	87.22	87.22	-	-						
96	01/05/07	4274	4274	87.22	87.22	-	-						
97	01/12/07	4275	4275	87.22	87.22	-	-						
98	03/20/07	4275	4275	87.22	87.22	-	-						
99	05/04/07	4275	4275	87.22	87.22	-	-						
100	05/28/07	4275	4275	87.22	87.22	-	-						

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 NARCO FREEDOM, INC.
 REVIEW OF OUTPATIENT CHEMICAL DEPENDENCE SERVICES
 PROJECT NUMBER: 08-2832
 REVIEW PERIOD: 01/01/03 - 12/31/04 & 01/01/07 - 12/31/07

Sample Number	Date of Service	Rate Code		Amount		Over Payment		DETAILED AUDIT FINDINGS						
		Billed	Derived	Paid	Derived	Extrapolated	Not-Extrapolated	1. No Service Provided	2. Missing Treatment Plan Review	3. Missing Progress Note	4. Missing/Late Initial Individual Treatment Plan	5. Duration of Visit Not Documented		
101	06/10/07	4275	4275	\$ 87.22	\$ 87.22	\$ -	\$ 87.22	-	-				X	
102	06/26/07	4275	-	87.22	-	-	87.22	-	-					
103	07/08/07	4275	4275	87.22	87.22	-	87.22	-	-					
104	07/27/07	4275	4275	87.22	87.22	-	87.22	-	-					
105	09/03/07	4275	4275	87.22	87.22	-	87.22	-	-					
106	09/19/07	4275	4275	87.22	87.22	-	87.22	-	-					
107	09/27/07	4275	4275	87.22	87.22	-	87.22	-	-					
108	09/28/07	4275	4275	87.22	87.22	-	87.22	-	-					
109	10/11/07	4275	4275	87.22	87.22	-	87.22	-	-					
110	11/26/07	4275	4275	87.22	87.22	-	87.22	-	-					
111	01/19/07	4275	4275	85.71	85.71	-	85.71	-	-					
112	01/23/07	4275	4275	85.71	85.71	-	85.71	-	-					
113	02/12/07	4275	4275	85.71	85.71	-	85.71	-	-					
114	03/05/07	4275	4275	85.71	85.71	-	85.71	-	-					
115	04/12/07	4275	4275	85.71	85.71	-	85.71	-	-					
116	07/26/07	4275	-	85.71	-	-	85.71	-	-			X		
117	08/29/07	4275	4275	85.71	85.71	-	85.71	-	-					
118	11/20/07	4275	4275	85.71	85.71	-	85.71	-	-					
119	01/15/07	4275	4275	84.22	84.22	-	84.22	-	-					
120	01/17/07	4275	4275	84.22	84.22	-	84.22	-	-					
121	02/11/07	4275	4275	84.22	84.22	-	84.22	-	-					
122	03/20/07	4275	4275	84.22	84.22	-	84.22	-	-					
123	04/02/07	4275	4275	84.22	84.22	-	84.22	-	-					
124	04/04/07	4274	4274	84.22	84.22	-	84.22	-	-					
125	04/09/07	4275	-	84.22	-	-	84.22	-	-				X	

OFFICE OF THE MEDICAID INSPECTOR GENERAL
 NARCO FREEDOM, INC.
 REVIEW OF OUTPATIENT CHEMICAL DEPENDENCE SERVICES
 PROJECT NUMBER: 08-2832
 REVIEW PERIOD: 01/01/03 - 12/31/04 & 01/01/07 - 12/31/07

Sample Number	Date of Service	Rate Code		Amount			Over Payment		DETAILED AUDIT FINDINGS				
		Billed	Derived	Paid	Derived	Extrapolated	Not-Extrapolated	1. No Service Provided	2. Missing Treatment Plan Review	3. Missing Progress Note	4. Missing/Late Initial Individual Treatment Plan	5. Duration of Visit Not Documented	
126	04/27/07	4275	4275	\$ 84.22	\$ 84.22	\$ -	\$ -	-					
127	04/28/07	4275	4275	84.22	84.22	-	-	-					
128	05/11/07	4275	4275	84.22	84.22	-	-	-					
129	05/12/07	4275	4275	84.22	84.22	-	-	-					
130	05/14/07	4274	4274	84.22	84.22	-	-	-					
131	05/23/07	4275	4275	84.22	84.22	-	-	-					
132	06/16/07	4275	4275	84.22	84.22	-	-	-					
133	06/20/07	4275	4275	84.22	84.22	-	-	-					
134	06/29/07	4275	4275	84.22	84.22	-	-	-					
135	07/17/07	4275	4275	84.22	84.22	-	-	-					
136	07/25/07	4275	4275	84.22	84.22	-	-	-					
137	07/25/07	4275	4275	84.22	84.22	-	-	-					
138	07/31/07	4274	4274	84.22	84.22	-	-	-					
139	08/10/07	4275	4275	84.22	84.22	-	-	-					
140	08/16/07	4275	4275	84.22	84.22	-	-	-					
141	09/07/07	4275	4275	84.22	84.22	-	-	-					
142	09/13/07	4275	4275	84.22	84.22	-	-	-					
143	09/24/07	4275	4275	84.22	84.22	-	-	-					
144	09/25/07	4275	-	84.22	-	-	84.22	-	X				
145	09/26/07	4275	4275	84.22	84.22	-	-	-					
146	10/13/07	4275	4275	84.22	84.22	-	-	-					
147	10/19/07	4275	4275	84.22	84.22	-	-	-					
148	11/06/07	4275	4275	84.22	84.22	-	-	-					
149	11/09/07	4275	-	84.22	-	-	84.22	-	X				
150	11/26/07	4275	4275	84.22	84.22	-	-	-					
Totals				\$ 13,056.87	\$ 11,753.12	\$ 1,303.75	\$ -	-	8	5	2	1	1