



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

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Official Audit Report-Issued September 30, 2011

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## Community Counseling of Bristol County, Inc.

For the period July 1, 2008 through September 30, 2010



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## **TABLE OF CONTENTS/EXECUTIVE SUMMARY**

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### **INTRODUCTION**

**1**

Community Counseling of Bristol County, Inc. (CCBC) was organized on July 1, 1988 as a not-for-profit corporation under Chapter 180 of the Massachusetts General Laws. CCBC is a licensed mental health center and provides behavioral health services in Attleboro, Brockton, Plymouth, Rehoboth, and Taunton. The agency serves over 8,000 adults, children, and families annually.

MassHealth, within the Massachusetts Executive Office of Health and Human Services, administers the state's Medicaid program, which provides access to healthcare services, including behavioral health services, to approximately one million eligible low- and moderate-income individuals and families annually. For fiscal year 2010, CCBC received Medicaid payments totaling approximately \$9 million. This amount represented 43% of the agency's total program funding (approximately \$21 million) for the period.

The scope of our audit was limited to determining whether CCBC submitted allowable claims to MassHealth for behavioral health services during the period July 1, 2008 through September 30, 2010. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit procedures consisted of reviewing CCBC's claims for behavioral health services to ensure that its claims were supported with required documentation; services were provided as claimed; claims were for eligible recipients; and claims were complete, accurate, and in compliance with applicable laws, rules, and regulations. We also reviewed CCBC's internal controls over its claims and billing procedures relative to its Medicaid-funded services to determine their adequacy.

Based on our review we have concluded that, for the period July 1, 2008 through September 30, 2010, except for the issue addressed in the Audit Results section of this report, CCBC submitted claims to MassHealth for behavioral health services that complied with applicable laws, rules, and regulations for the areas tested.

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### **AUDIT RESULTS**

**4**

#### **DUPLICATE PAYMENTS FOR BEHAVIORAL HEALTH SERVICES TOTALING \$7,918**

**4**

Our audit found that CCBC was paid twice by MassHealth for the same behavioral health services provided to 18 MassHealth members. In each instance, two claims were found in MassHealth's records indicating that the same service was performed on the same member on the same day. However, MassHealth's claims processing system failed to identify the duplicate claims, resulting in overpayments totaling \$7,918 to CCBC.

## INTRODUCTION

### *Background*

Community Counseling of Bristol County, Inc. (CCBC) was organized on July 1, 1988 under Chapter 180 of the Massachusetts General Laws as a not-for-profit corporation. CCBC was originally established as a result of two human service agencies (Central City Community Center, Inc. and Anawan Associates, Inc.) consolidating their operations into one entity. CCBC is a licensed mental health center and provides behavioral health services in Attleboro, Brockton, Plymouth, Rehoboth, and Taunton. The agency serves over 8,000 adults, children, and families annually.

MassHealth, within the Massachusetts Executive Office of Health and Human Services (EOHHS), administers the Commonwealth's Medicaid program, which provides access to healthcare services, including behavioral health services, to approximately one million eligible low- and moderate-income individuals and families. From July 1, 2008 to June 30, 2010, CCBC received funding that totaled approximately \$36 million, of which Medicaid payments totaled over \$16 million, or 44% of its total funding, as detailed below:

### Summary of Revenue<sup>1</sup>

#### July 1, 2008 through June 30, 2010

<u>Revenue Source</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Total</u>
Medicaid – Direct Payments	\$3,605,033	\$2,638,743	\$6,243,776
Medicaid – Subcontract	3,670,460	6,403,542	10,074,002
Medicare	520,529	534,697	1,055,226
Commonwealth Purchase of Services Contracts	4,676,287	8,546,555	13,222,842
Other Revenues	<u>2,726,565</u>	<u>3,135,657</u>	<u>5,862,222</u>
Totals	<u>\$15,198,874</u>	<u>\$21,259,194</u>	<u>\$36,458,068</u>

<sup>1</sup> Revenue information was extracted from CCBC's fiscal years 2009 through 2010 Uniform Financial Statements and Independent Auditor's Reports (UFRs) filed with the Commonwealth.

***Audit Scope, Objectives, and Methodology***

The scope of our audit was to determine whether CCBC submitted allowable claims for the behavioral health services it provided to MassHealth members during the period July 1, 2008 through September 30, 2010. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit objectives consisted of the following:

1. To review and examine Medicaid claims filed by CCBC for behavioral health services to determine whether:
  - The claims were properly supported with required documentation;
  - The services were provided as claimed;
  - The claims were for eligible Medicaid recipients; and
  - The claims were complete, accurate, and in compliance with applicable laws, rules, and regulations.
2. To review CCBC's internal controls over its claims and billing procedures to determine their adequacy.

To achieve our objectives, we held discussions with CCBC officials, officials from EOHHS, and officials from the state's Division of Health Care Finance and Policy (DHCFP), which sets the service rates for MassHealth services. We also reviewed CCBC's organization charts, policies and procedures manuals, internal controls, patient account billing system, as well as applicable state and federal laws, rules, and regulations. We then obtained CCBC's claims information contained in the Massachusetts Medicaid Management Information System (MMIS), the automated claims processing system used by MassHealth to pay service providers. We analyzed CCBC's claims data to identify, for the period covered by our audit, (a) the amount and number of paid claims, (b) type and frequency of services performed, and (c) service trends and billing anomalies indicative of systemic

billing problems within the claims processing system. From CCBC's records, we selected a judgmental sample of 25 member files for review. We tested each file to ensure that the paid claims were properly authorized and supported by appropriate documentation including related billing forms and records. At the conclusion of the field audit, we discussed the results with CCBC and considered its comments when preparing this report. We also discussed the results of our audit with MassHealth officials and included their written responses within the applicable section of this report.

Our audit was limited in scope and was not conducted for the purposes of expressing an opinion on CCBC's financial statements. We also did not assess expenses or assess the quality and appropriateness of program services provided by CCBC under its state-funded contracts. Rather, our report was intended to report findings and conclusions on the extent of CCBC's compliance with applicable laws, regulations, and agreements with MassHealth, and to identify any internal controls that could be made more efficient and effective.

Based on our review we have concluded that, for the period July 1, 2008 through September 30, 2010, except for the issue addressed in the Audit Results section of this report, CCBC submitted claims to MassHealth for behavioral health services that complied with applicable laws, rules, and regulations for the areas tested.

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## AUDIT RESULTS

### **DUPLICATE PAYMENTS FOR BEHAVIORAL HEALTH SERVICES TOTALING \$7,918**

Our review found that Community Counseling of Bristol County, Inc. (CCBC) was paid twice by MassHealth for the same behavioral health services it provided to 18 members. In each instance, two claims were found in MassHealth's records indicating that the same service was performed on the same member on the same day. However, MassHealth's claims processing system failed to identify the duplicate claims, resulting in overpayments totaling \$7,918 to CCBC.

130 Code of Massachusetts Regulations (CMR) 450.235, promulgated by MassHealth, defines overpayments for its members' services as follows:

*Overpayments include, but are not limited to, payments to a provider (A) for services that were not actually provided...(C) in excess of the maximum amount properly payable for the service provided...(G) for services billed that result in duplicate payments.*

MassHealth refers to individuals who are eligible for both MassHealth (Medicaid) and Medicare benefits as "crossovers." When providing services to crossovers, service providers such as CCBC are only required to submit service claims to Medicare. Medicare adjudicates the claims and pays the service providers for its share of the service cost. After adjudicating each claim, Medicare transmits to MassHealth relevant information for each claim including any unpaid portion of the claim. MassHealth, in turn, pays the service provider for any additional amounts due. As a result, it is not necessary for service providers to directly bill MassHealth for crossover members.

Our review of CCBC's claims data maintained within MMIS identified that during our audit period, CCBC received duplicate payments for services it provided to 18 crossovers. Specifically, MassHealth paid CCBC \$7,918 on September 15, 2008 and \$7,918 again on September 19, 2008 for the same services provided to these 18 crossovers. In these instances, CCBC only billed Medicare, as required, using its psychiatric day treatment provider identification number. However, for some reason, MassHealth issued a duplicate payment to CCBC for the amounts it owed for these services that were not covered by Medicare. We discussed this matter with CCBC officials, and they agreed with our conclusion that MassHealth made duplicate payments to CCBC totaling \$7,918. In addition, during the audit, we brought this matter to the attention of MassHealth officials, who responded with the following comments:

*TPL<sup>2</sup> is examining system settings to determine whether coding changes to criteria are necessary to block this type of adjudication result from occurring or whether this is an isolated incident. A report to identify all occurrences of possible duplication [is being generated], but right now it appears to be a small number of possible occurrences.*

***Recommendation***

We agree that MassHealth should examine its claims processing system to determine whether coding changes are necessary to identify and deny duplicate payments such as the ones we identified during our audit of CCBC. Additionally, MassHealth should seek reimbursement from CCBC in the amount of \$7,918.

***Auditee's Response***

In response to this issue, CCBC officials provided comments, which are excerpted below:

*CCBC does acknowledge that it did receive a duplicate payment in the amount of \$7,918, one of the payments came in the form of an electronic payment (received 9/15/2008) for the amount noted and a second in the form of a paper check (dated 9/19/2008) ... CCBC only received one EOB (Explanation of Benefits); this EOB is critical for the posting of payments into our accounts receivable system.*

***Auditor's Reply***

CCBC should coordinate with MassHealth for the return of the \$7,918 to the Commonwealth and provide MassHealth with whatever information it will require to determine the cause of the duplicate payment.

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<sup>2</sup> TPL is MassHealth's contracted provider compliance unit.