



**STATE OF NEW JERSEY**  
**OFFICE OF THE STATE COMPTROLLER**  
**MEDICAID FRAUD DIVISION**

**COMPLIANCE AUDIT**  
**TWIN OAKS COMMUNITY SERVICES**  
**FINAL AUDIT REPORT**

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**March 31, 2015**

## **Executive Summary**

As part of its oversight of the Medicaid and New Jersey FamilyCare programs (Medicaid), the Office of State Comptroller's Medicaid Fraud Division (OSC) conducted an audit of Twin Oaks Community Services (TOCS). TOCS is a multispecialty provider with facilities located throughout Central and Southern New Jersey (NJ).

The audit entailed a review of clinical documentation for mental health rehabilitation services and case management services which were billed simultaneously with recipient hospital stays for our audit period.

During this audit, OSC determined that TOCS was overpaid and should reimburse the Medicaid program \$36,473. The overpayment is attributed to TOCS' failure to provide documentation to support the claims reviewed during our audit period.

## **Background**

TOCS is a private, non-profit behavioral health organization. TOCS enrolled in the Medicaid program June 1, 1980. TOCS provides services throughout the State of New Jersey in office settings, home environments and the community. TOCS' services include, but are not limited to, child and family services, adult services, residential programs and supportive housing, case management, food pantries, crisis screening and early intervention.

## **Objective**

The objective of the audit was to review TOCS clinical documentation to determine why mental health rehabilitation services and case management services were billed while recipients were hospitalized. The audit was conducted under the authority of the Medicaid Program Integrity and Protection Act, N.J.S.A. 30:4D-53 et seq, and 52:15C-23.

## **Scope**

The scope of the TOCS audit entailed a review of eight TOCS facilities located in; Berlin, Cherry Hill (3), Hammonton, Lumberton, Mount Holly, and Pine Hill. The scope of the on-site documentation review was limited to a statistical sample of 32 claims, exclusively from the Mount Holly location. A desk review was conducted

for the remaining facilities during which all claims were reviewed. The audit period was January 1, 2012 through December 31, 2013.

## **Audit Findings**

### 1. On-site Review of Sample Claims:

TOCS did not provide OSC with documentation to support billings for 5 of 32 sample claims totaling \$3,220 from the Mount Holly location.

Please refer to Appendix A for details about the potential extrapolated recovery of \$6,142.

### 2. Desk Review of Claims:

TOCS did not provide OSC with documentation to support billings for 253 of 255 claims totaling \$30,331 for the following locations:

Berlin, Cherry Hill (3), Hammonton, Lumberton, and Pine Hill.

Please refer to Appendix B for details about the potential recovery of \$30,331.

OSC seeks to recover a total of \$36,473 from the on-site and desk review of claims.

## **Recommendation**

OSC recommends that TOCS continuously monitor its electronic health record system to ensure that no unauthorized home care services are billed while recipients are hospitalized.

## **Response**

*Twin Oaks Community Services takes great pride in its ethical standards in both clinical and billing practices. The organization has well established check and balance systems to ensure accuracy. Additionally, it has a system in place to test processes. When a process is identified as capable of being improved, the organization's responsiveness is swift and comprehensive. However, as with all*

*processes and testing, there are times when things may get missed, as was identified in this State review.*

*This review focused specifically on services that were billed for during a period of time when the consumer was hospitalized. It is our practice to minimize the disruption in care as much as possible for consumers and, as such, our staff often visit and provide services to consumers even if they have been hospitalized. Unfortunately, the electronic health record that had been newly implemented during the time period for these claims was not designed with a failsafe to block charges for those services rendered while a consumer was hospitalized. Upon discovery of this, the Information Management team quickly deployed a corrective configuration to the system to prevent any unauthorized billing from occurring. This corrective action has been tested and continues to prove effective.*

*Twin Oaks regrets that this inadvertent billing occurred and continues to dedicate significant time and effort to our software applications to ensure the highest level of accuracy. Twin Oaks is happy to return any monies that were collected as a result of this inadvertent billing.*

## **Conclusion**

Based on our review of TOCS' billings subsequent to our audit period, OSC concludes that the corrective measures implemented by the provider appear effective.

# Appendix A

Twin Oaks Community Services							
For The Audit Period - January 1, 2012 through December 31, 2013							
Provider ID	# of Claims in Question	# of Sample Claims Selected for Review	\$ Amount of Claims in Question	\$ Amount of Sample Claims in Question	Documentation provided by Twin Oaks to support services rendered		Recovery
					Claims	\$ Amount	
██████	62	32	\$ 39,310.82	\$ 34,817.84	27	\$ 23,045.10	\$ 6,142.32
<b>TOTAL</b>	<b>62</b>	<b>32</b>	<b>\$ 39,310.82</b>	<b>\$ 34,817.84</b>	<b>27</b>	<b>\$ 23,045.10</b>	<b>\$6,142.32</b>
<p>Provider ID ██████ - MFD Audit reviewed 32 sample claims. Twin Oaks did not support billings for 5 of the 32 sample claims for a 15.625% error rate.</p> <p>To calculate the recovery for the statistically valid sample, the error rate identified after reviewing the 32 sample claims is multiplied by the total dollar value of claims in question and is calculated as follows:</p>							
	\$ 39,310.82	*	0.15625	=	\$6,142.32		

## Appendix B

Twin Oaks Community Services						
For The Audit Period - January 1, 2012 through December 31, 2013						
Provider ID	# of Claims in Question	# of Sample Claims Selected for Review	\$ Amount of Claims in Question	Documentation provided by Twin Oaks to support services rendered		Recovery
				Claims	\$ Amount	
██████████	200	N/A	\$ 22,951.80	2	\$ 870.80	\$ 22,081.00
██████████	18	N/A	\$ 4,788.00	0	\$ -	\$ 4,788.00
██████████	24	N/A	\$ 1,613.84	0	\$ -	\$ 1,613.84
██████████	4	N/A	\$ 716.92	0	\$ -	\$ 716.92
██████████	3	N/A	\$ 678.00	0	\$ -	\$ 678.00
██████████	2	N/A	\$ 358.46	0	\$ -	\$ 358.46
██████████	4	N/A	\$ 95.15	0	\$ -	\$ 95.15
<b>TOTAL</b>	<b>255</b>	<b>0</b>	<b>\$ 31,202.17</b>	<b>2</b>	<b>\$ 870.80</b>	<b>\$30,331.37</b>

\* Provider ID ██████████ - Twin Oaks suggested that the recipient was on leave from the Hospital. Twin Oaks did not provide documentation supporting the services rendered on the dates of service for eight claims totaling \$2,128.00.