

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

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**ADP BULLETIN**

Title:
 NARCOTIC TREATMENT PROGRAM AUDIT ISSUES

Deputy Director Approval	Function:	Issue Date:	Issue No.
(signed by)	<input type="checkbox"/> Information Management	8-9-01	
Ann Horn, Deputy Director	<input type="checkbox"/> Quality Assurance	Expiration	01-18
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	<input type="checkbox"/> Administration		N/A

PURPOSE

This bulletin is to remind counties and narcotic treatment program (NTP) providers of compliance requirements that continue to surface during audits and to request submission of information.

DISCUSSION

During the last three years, audits of NTP providers by the Department have disclosed significant issues that impact the amount of Drug Medi-Cal (DMC) reimbursement provided. All of the issues directly relate to risk areas identified in ADP Bulletin Nos. 97-38 and 97-39, issued in June 1997. The purpose of those bulletins was to make counties and NTP providers aware of the potential problem areas, to enable them to achieve compliance with the related requirements, and to minimize the potential for audit exceptions.

Counseling

With regard to counseling services claimed for DMC reimbursement, audits have disclosed the following types of findings:

- The number of minutes of counseling claimed for certain days exceeded the amount of time reflected on the counselor's time sheet, as supported by payment of the counselor's wages.
- Counseling was claimed and recorded on days when the counselor who purportedly provided the counseling was out on leave based on his/her time or leave

- Counseling was claimed and recorded on days when the patient was not recorded as having received his/her methadone dose, either on-site or by take-home.
- Counseling was claimed and recorded for dosing nurses who were on duty at the dosing window at the time of the purported counseling.

As a result of these findings, the Department intends to take additional steps to ascertain the validity of counseling claims. During the audit process, and possibly at other times, letters will be sent to program participants asking them questions about the typical pattern of services they receive. Third-party confirmation is a common audit practice utilized to verify the validity of records under audit. Additionally, within the Medi-Cal system, random confirmation with patients is a standard practice that is part of the claim processing system.

Customary Charge

The application of the “lower of cost or charges” reimbursement principle has been a focus of the Department’s audits of NTP providers for many years. Since the passage of AB 2071 in Fiscal Year 1997-98, the issue has become one of “discriminatory rate practices”, since the reimbursement is no longer based on the actual cost of services, but on a uniform statewide monthly reimbursement rate.

Specific guidance was provided in ADP Bulletin No. 97-38, which also contained contacts for clarification. Additionally, at least one open meeting was held to discuss the issue at length. Still, some providers continue to utilize fixed monthly rates for their private patients or fail to utilize their own “sliding scale” fee schedules as written. In either case, when the audit determines the customary charge to be lower than the DMC rate, an audit finding is reported and the audit settlement limits DMC reimbursement to the customary charge.

This type of audit finding is very detrimental to a provider. Having potentially lost money on private patients, the finding may result in the provider losing money on DMC patients as well. This is why the establishment of an appropriate charge structure for private patients is critical.

Consequently, the Department requests all counties who contract with DMC funded NTP providers to obtain and maintain on file a copy of each provider's private patient charge structure documentation, including sliding scales, instructions for determining ability to pay, collection procedures, etc. Counties and direct contractor NTP providers are also requested to forward copies of these documents by October 1, 2001, to:

Department of Alcohol and Drug
Programs Audit Services Branch
1700 K Street, 5th Floor
Sacramento, CA 95814

REFERENCES

ADP #97-38

ADP #97-39

HISTORY

See above.

QUESTIONS/MAINTENANCE

If you have any questions regarding this bulletin, please contact Andy Dill, Assistant Audit Manager, Audit Services Branch, at (916) 324-6406 or Sima Mann, Auditor, Audit Services Branch, at (916) 322-0862.

EXHIBITS

None.

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