1999 - 2000 Ventura County Grand Jury Report

Mental Health Billing Irregularities in Ventura County Behavioral Health Department

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The 1999-2000 Ventura County Grand Jury, in this report, has limited the scope of their inquiry into mental health billing irregularities. It is not our intent to review the merger, the lawsuit, the settlement agreement, or the compliance agreement.

It is, however, our intent to examine those areas that we have found contributed to an inappropriate billing process. We believe that our County will benefit by implementing certain changes in procedures and policies, by identifying training requirements, and by insisting administrators should have or acquire expertise commensurate with their job description in the area of compliance to Medicare and MediCal regulations.

The areas we have chosen to address in this report are:

(A) Mental Health Billing
(B) Information Systems Department (ISD)
(C) Transamerica Occidental Insurance Company
(D) Behavioral Health Department (BHD) Administration.

The question of whether those in positions of authority knew and sanctioned inappropriate billing remains, for members of this panel, unanswered. Administrators of the Behavioral Health Department and senior accountants indicated to the Grand Jury that they did not have expertise in Medicare billing regulations and relied on the Ventura County Health Care Agency billing department, on internal utilization reviews, and the Transamerica Occidental Insurance Company to call attention to billing errors, if they existed.

Background

In the late 1980s through early 1990s, Ventura County received special funding from the State of California to develop and implement a system of care for children with serious mental illness. A team-oriented approach, termed the Ventura Model, served as a blueprint for several other counties under state sponsorship. A more detailed description of the development of the Ventura Model is included in the Mental Health Billing section of this report.

The team concept provided integration of social services as well as medical services for enrolled patients diagnosed with recognized mental illnesses. Under the auspices of a team comprised of experts in all areas of proposed treatment and support, patients had access to support services, not just for themselves, but for their family.

Funding for these services was provided by a variety of sources, including Medicare (federal), MediCal (state), insurance (private), or the patient's own resources. The computer records kept by the teams provided integrated patient history, entitlements, status and sources of funding, and treatment records. The major difference between Medicare and MediCal billing formats is that Medicare requires that a psychiatrist see and evaluate the patient and his treatment plan, whereas MediCal funding permits other licensed providers of care to specify covered activities.

Initially, all teams included at least one psychiatrist and patient records reflected approved treatment plans as required by Medicare. Over time more emphasis was placed on MediCal requirements and some teams operated without a psychiatrist in attendance. Eventually, this lack of direct psychiatrist involvement with the patient for Medicare billing was to prove a costly error for the County.

In October 1997, the Board of Supervisors directed the County Administrative Officer to study the ramifications involved with integrating the Behavioral Health Department with the Human Services Department. The CAO received permission to hire an outside consulting firm to assist in the analysis. The study proved to be more complicated than first envisioned and an extension of time beyond the original 90 days was requested. The study was completed in March 1998 and it identified the issues and potential cost variations among the possible choices. A major consideration was to assure that the County licenses for mental health facilities would remain intact. In April 1998, the Board of Supervisors, on a 3-to-2 vote, ignored the cautions of the study and voted for the merger of BHD into HSD. This reorganization involved over 500 employees with minimal planning and training necessary to assure a smooth transition. The fact that the professional psychiatrists were now seen to be under social services broadened the existing gulf between some medical professionals and some social service caregivers, and major morale problems developed.

One medical professional became a "whistle blower" and filed suit against the County in federal court for filing false and fraudulent billing for Medicare claims. This Qui Tam lawsuit alleged that Ventura County committed the following violations:

a. Randomly selected and included names and identification numbers of psychiatrists when the identified psychiatrist provided no service or supervision of any mental health service.
b. Falsely certified that services were medically necessary when such services were not intended to be delivered by a psychiatrist. False certifications were done for the purpose of billing for non-covered services.
c. Actions led to falsely billing at inflated rates.
d. Routine misuse of Medicare billing codes for overpayment of services.

The subsequent settlement agreement "does not constitute evidence, or an admission by any party, of any liability or wrongful conduct.

However, as a result of the lawsuit, the County of Ventura was compelled to pay a consent judgment for 15.3 million dollars and submit to a 5-year State-directed program for training and oversight to assure the correctness of all future billing.

Methodology

The 1999-2000 Ventura County Grand Jury has reviewed several hundred documents including internal policies and procedures, reports generated by consultants, outcome reviews, utilization reviews, letters of complaint, minutes of meetings, internal memos, training manuals, job descriptions, organizational charts, sample billing documents, billing codes, statistical charts, patient surveys, financial analysis, computer coding directives, systems of care models, Health Care Financial Administration (HCFA) contract with Transamerica Occidental, the HCFA lawsuit, the Consent Judgment, the Integrity Agreement, and the myriad of articles and interviews that appeared in the press.

The panel heard testimony from twenty witnesses and made announced and unannounced site visits.

The Grand Jury has divided this report into four sections: (A) Mental Health Billing, (B) Information Systems Department, (C) Transamerica Occidental Insurance Company and (D) Behavioral Health Administration.

A. MENTAL HEALTH BILLING

The Ventura Model "System of Care" began as a demonstration project, funded by the State legislature in l986, to deliver intensive

mental health services and case management to children with severe mental illness. The success of this program is well-documented and it was expanded statewide in 1987 and funded by AB377.

In 1989, Senator Cathie Wright sponsored AB3777, The Adult System of Care Demonstration Project, to test the Ventura Model on adults with severe mental illness. Ventura County was awarded 4 million dollars annually for three years. The components of AB3777 included consolidation of many fragmented treatment programs and support services into coordinated, multi-disciplinary teams within local communities, accessible to persons with severe mental illness who don't drive. AB3777 provided a full-time doctor for every team.

In 1992, as the State of California struggled financially, there were no funds to expand the program. At the same time, the State of California shifted financial responsibility for state hospitals to the county. This realignment increased the financial risk for counties which could not control out-of-home placement and utilization of state hospital beds.

Findings

F-1 Managed mental health care, as funded by AB377 and AB3777, provided MediCal funding for medical services related to case management, i.e. those support services that allowed the patient to function outside a hospital environment. These services were documented by team treatment plans and implemented by professionals. These teams often had a psychiatrist member but the treatment plans were generated and implemented by the team.

F-2 A corresponding stream of revenue came to the County in Federal Medicare dollars. Medicare reimbursement required that a patient be evaluated by a psychiatrist, that the psychiatrist assign a diagnosis, and that treatment plans be signed off by the psychiatrist for medical necessity.

F-3 The Ventura County Behavioral Health Department billed appropriately for MediCal services. They failed, however, to document medical necessity as required by federal Medicare regulations, often randomly assigning a doctor's UPN number to billing documents when the patient had not been seen by a psychiatrist.

F-4 In an attempt to understand the billing process, the Grand Jury determined the following procedures were used prior to the discovery of billing errors:

- Patients are either seen or interviewed by phone by a provider (psychiatrist, social worker, psychologist, occupational therapist, nurse, etc.)
- The provider places a billing code on the chart that designates the service rendered and the allotted time.
- The billing clerk at the clinic inserts the billing code into the computer for the specific patient.
- The computer routes the service code for appropriate billing based on patient eligibility and whether or not the service is approved for reimbursement by MediCal, Medicare, private insurer, or by the patient.
- The computer system generates a bill, once each month, for each patient to the appropriate reimbursement source.

F-5 Billing procedures have changed since the discovery of billing errors for both the provider of service and for the billing clerk:

- The provider now fills out a billing card indicating the service provided, the time required to provide the service, and signs off on the service using both a signature and an ID number. (see Figure 1)
- The provider attests to the accuracy of the billing information by signing a statement of responsibility.
- The billing clerk assigns the appropriate code to the service rendered and enters proper codes into the computer.

F-6 The inappropriate billing of Medicare Part B resulted in a level of payment greater than allowed under Medicare regulations. The repayment and levied fines will cost the County of Ventura 15.3 million dollars over a five year period. Additional compliance requirements could cost the county as much as an additional 10 million dollars over the same time period.

F-7 These services, provided at fourteen outreach clinics throughout the county, allow many of the mentally ill patients to receive the support they need to remain in the community. (see Figure 2)

F-8 According to mental health billing supervisors, the training provided by Transamerica Occidental Insurance Company focused on inpatient billing requirements (Medicare, Part A) and did not address mental health outpatient billing for Medicare Part B.

F-9 Transamerica Occidental Insurance Company, under contract with HCFA to review Medicare Part B billing prior to payment, reviewed approximately twenty charts and corresponding billing documents each month (looking specifically at billing they believed to be questionable).

F-10 Short-Doyle legislation (AB377 and AB3777) allowed MediCal reimbursement for services without requisite medical necessity documentation by a psychiatrist. No corresponding change occurred in Medicare billing.

F-11 In November 1999, mental health billing supervisors attended a Medicare Part B training seminar. Although this seminar provided in-depth training in Medicare Part B requirements, it did not address billing simultaneously to two funding sources (MediCal Short Doyle and Medicare Part B) with different requirements. Simultaneous billing, while conforming to differing billing regulations, is unique to California and complicates the billing process.

F-12 Mental health billing personnel did not, and still do not, routinely receive all Medicare updates from the administration of Behavioral Health.

F-13 When asked by the Grand Jury why billing personnel inserted the names of doctors who had not seen a patient for treatment, those responsible for appropriate billing procedures tell us "it was always done that way." This answer, without any written procedures to indicate otherwise, appears to be the only explanation available to us.

F-14 When questioned by the Grand Jury, several administrators of the Behavioral Health Department and two senior accountants stated they did not have expertise in Medicare billing regulations.

Conclusions

The Grand Jury questioned how Behavioral Health failed to bill correctly for Medicare Part B. Based on our interviews, we conclude the following:

C-1 Mental Health billing supervisors considered Transamerica Occidental Insurance Company's billing oversight a form of utilization review, and, since they were not told otherwise, believed they were billing appropriately. (F-9)

C-2 Ventura County Behavioral Health Department administrators did not appropriately address the reimbursement requirements for two divergent streams of funding in response to Short-Doyle legislation and implement compliance review procedures. (F-10)

C-3 Mental Health Billing supervisors did not understand the relationship of Transamerica Occidental Insurance Company to Ventura County mental health billing and placed too much importance on their monthly chart review. These charts were reviewed to clarify an instance of questionable billing and this procedure was not equivalent to a utilization review. (F-9)

County of Ventura
Behavioral Health Department
Mental Health Services
Charge Ticket

Service Date

Clinician Name:	Staff Code:	Special Population: ❑"C",AB3632 ❑"W", CalWORKs ❑"N", None

ASSESSMENT & EVALUATION		FF Time	Total Time
1530	Assmt. & Eval./Office		
1531	Assmt. & Eval./Phone		
1532	Assmt. & Eval./Field		
1533	Psychia. Assmt./Office		
1534	Psychia. Assmt./Phone		
1535	Psychia. Assmt./Field		
1536	Psychol. Testing/Office		
1537	Psychol. Testing/Field		

THERAPY		FF Time	Total Time
1540	Ind. Therapy/Office		
1541	Ind. Therapy/Phone		
1542	Ind. Therapy/Field		
1550	Group Therapy/Office		
1551	Group Therapy/Field		
1513	Therapy/Fam.Sig Other/Office		
1514	Therapy/Fam.Sig Other/Phone		
1515	Therapy/Fam.Sig Other/Field		

THERAPEUTIC BEHAVIORAL SERVICES		FF Time	Total Time
1558	Therapeutic Behavioral Services		

MEDICATION SUPPORT		FF Time	Total Time
1560	Med. Interview/Office		
1561	Med. Interview/Phone		
1562	Med. Interview/Field		
1563	Med. Given/Office		
1564	Med. Given/Field		
1565	Med. Education/Office		
1566	Med. Education/Phone		
1567	Med. Education/Field		

CRISIS INTERVENTION		FF Time	Total Time
1570	Crisis Intervention/Office		
1571	Crisis Intervention/Phone		
1572	Crisis Intervention/Field		

REHABILITATION		Total Time
1543	Rehabilitation/Office	
1544	Rehabilitation/Phone	
1545	Rehabilitation/Field	
1510	Coll./Fam/Sig Other/Office	
1511	Coll./Fam/Sig Other/Phone	
1512	Coll./Fam/Sig Other/Field	

CASE MANAGEMENT/BROKERAGE		Total Time
1500	CM/Broker Direct/Office	
1501	CM/Broker Direct/Phone	
1502	CM/Broker Direct/Field	

CONSERVATORSHIP		Total Time
6020	Conservatorship/Investigation	
6021	Conservatorship/Administration	

DAY SERVICES		Total Time
1085	Day Treatment Intensive/Full	
1081	Day Treatment Intensive/Half	
1095	Day Rehabilitation/Full	
1091	Day Rehabilitation/Half	

24 HOUR CARE		Total Time
0560	Colston CCF Augmentation	
0561	Interface CCF Augmentation	
4011	IMD	
4012	IMD w/patch	
0565	Adult Residential	

MANAGEMENT INFORMATION CODES		Total Time
9001	No Case Made	
9002	MHS/MEDS/Crisis Non-Bill	
9004	C/M Non-Bill	
9005	Job Development	
9006	Job Coach	
1040	Socialization	

STATEMENT: I HEREBY CERTIFY under penalty of perjury that I am the clinician responsible for providing the services indicated on this claim, and to the best of my knowledge and belief this claim in all respects is true, correct, and in accordance with the law. The services were, to the best of my knowledge, provided in accordance with the client's written Master Treatment Plan, Preliminary Treatment Plan, or Physician orders. I certify that all information submitted on this claim is accurate and complete. I understand that payment of this claim will be from Federal and/or State funds, and any falsification or concealment of a material fact may be prosecuted under Federal and/or State laws. I understand that any information I submit regarding this certification of service will be kept for a minimum period of 3 years from date of service and can be, submitted upon request, to the California Department of Health Services; the Medi-cal Fraud Unit; California Department of Mental Health, California Department of Justice; Office of the State Controller, U.S. Department of Health and Human Services, or their duly authorized representatives. I also agree that service was offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.

Signature of Clinician Date

Ventura County Behavioral Health
Mental Health Services
Confidential Patient Information
Welfare & Institutions Code 5328
and Evidence Code 1014
Rev. 4/14/00 DM

Name:
ID #:
Site:

Figure 1 . Mental Health Services Charge Ticket

1. Simi Valley MHC
   3159 Los Angeles Avenue
   Simi Valley, CA 93065
2. Conejo Valley Team 1459
   Thousand Oaks Blvd.
   Bldg. E
   Thousand Oaks, CA 91360
3. East Ventura Team
   300 N. Hillmont Ave.
   Ventura, CA 93003
4. West Oxnard Team
   1400 Vanguard Drive
   Oxnard, CA 93033
5. Santa Paula Team
   333 W. Harvard Blvd.
   Santa Paula, CA 93060
6. Ventura Mental Health Services
   702 County Square Drive
   Ventura, CA 93003
7. West County Senior Service
   738 E. Main St.
   Ventura, CA 93001
8. Mid-Ventura Team
   1767 E. Main St.
   Ventura, CA 93001
9. West Ventura/Ojai Team
   56 E. Main Street
   Ventura, CA 93001
10. Downtown Oxnard Team
    343 S. "B" Street
    Oxnard, CA 93030
11. South Oxnard/Port Hueneme Team
    241 Market Street
    Bldg. B, Suite 4-8
    Port Hueneme, CA 93041
12. Conejo Valley Children's Service
    558 St. Charles, Suite 122
    Thousand Oaks, CA 91360
13. Simi Valley Child Options
    3855 "F" Alamo Street
    Simi Valley, CA 93063
14. Fact Team
    5740 Ralston #304
    Ventura, CA 93003

Figure 2. Ventura County Behavioral Health Mental Health Clinics

C-4 Neither Transamerica Occidental Insurance Company or the Ventura County Health Care Agency provided appropriate on-going training for mental health personnel who were responsible for billing Medicare Part B. (F-8, F-11)

C-5 Behavioral Health Administration has not had a procedure to routinely circulate copies of Medicare bulletins and directives to mental health billing supervisors. (F-12)

C-6 Deficiencies in procedures for billing Medicare Part B were ingrained in a flawed administrative system. (F-10, F-13, F-14)

Recommendations

While the Grand Jury is aware that the Compliance Agreement has forced the implementation of many changes in the procedures governing mental health billing, we recommend the following:

R-1 That the Behavioral Health Department identify the position with primary responsibility for implementing and updating mental health billing rules and regulations for Medicare and MediCal funding. (C-2, C-5, C-6)

R-2 That a procedure be implemented by Behavioral Health Administration to circulate all Medicare/MediCal bulletins and directives to Ventura County Medical Center billing supervisors as soon as received from issuing agency. (C-5)

R-3 That mental health billing supervisory personnel participate at the administrative level. That they be kept informed of pending legislation and be given written directives from Behavioral Health Agency administrators regarding any change in Medicare and/or MediCal regulations that impact billing procedures. (C-2, C-4, C-5)

R-4 That the Director of Behavioral Health assign administrative responsibility for oversight of full and complete training for mental health billing personnel. (C-4)

B. INFORMATION SYSTEMS DEPARTMENT

Our findings indicate there were management deficiencies in the administration of the Behavioral Health Agency. We found there were no procedures to document the implementation of changes in the Ventura County mental health computer billing programs and no procedure to verify Medicare compliance when changes were made.

Findings

The Grand Jury found the following:

F-1 Current system called Problem-Oriented Record (POR) has been in operation since 1992. This is a Hewlett Packard data base system maintained in-house but there appears to be no configuration control.

F-2 A State of California Department of Mental Health letter dated January 31, l995, instituted changes to the POR for crossover from Medi-Cal to Medicare. These changes effectively ceased simultaneous billing of Medi-Cal and Medicare.

F-3 Claim forms created by POR are further processed by a QUBE program.

F-4 QUBE Program is provided and maintained by Blue Cross and processes Blue Cross and Transamerica Occidental claims. The purpose of QUBE is to permit manual modifications, additions and deletions prior to submission to Blue Cross and Transamerica Occidental.

F-5 POR is scheduled to be replaced July 1, 2000, by STAR system which will be part of Ventura County Medical Center software program.

F-6 The major software changes related to the merger are:

a. A July 1998 directive to ISD to identify improper claims.
b. An October 1998 billing office directive indicating that the signature of the attending physician is required rather than inserting the physician ID# for the on-site clinic physician.

F-7 Requests for changes to the POR come from two primary sources: (1) from the State of California Health Care Agency and (2) verbal requests from the mental health billing office.

F-8 Processing of mental health billing by the VCMC STAR software program should be fully operational October 2000.

Conclusions

C-1 While changing and maintaining the Problem Oriented Record (POR) software used for medical billing, there was no configuration control. There is no documentation to indicate the coding was accurate, and, because of this lack of documentation, no one can verify that the Medicare coding, at any specific point in time, met federal requirements. (F-1)

C-2 Verbal and undocumented changes to the POR allowed for the possibility of undetected errors. (F-7)

C-3 The Grand Jury could not determine if the changes recommended by HCFA as late as 1998 and 1999 were implemented appropriately and in a timely manner. (F-2, F-7)

C-4 The new STAR system, without appropriate procedures, will not ensure correct billing practice. (F-1, F-7)

Recommendations

The Grand Jury respectfully recommends:

R-1 That Ventura County Health Care Agency, in coordination with ISD, institute a configuration control procedure to ensure that all software changes for mental health billing are fully documented. (C-1, C-3)

R-2 That any request for change to the mental health billing programs be submitted in writing and that no verbal change order be implemented. (C-1, C-2, C-3)

R-3 That procedures (R-1 and R-2) be implemented for the STAR software. (C-4)

C. TRANSAMERICA OCCIDENTAL INSURANCE COMPANY

The Grand Jury also questioned the role of Transamerica Occidental Insurance Company in allowing billing irregularities to continue undetected for almost ten years.

Findings

F-1 HCFA contracts with Transamerica Occidental Insurance Company to process Medicare Part B billing and approve payment. This contract, executed October 1, l987, consists of the original document and fifty-six amendments and defines the scope of work and payment to Transamerica.

F-2 As part of the billing review process for questionable billing transactions, Transamerica Occidental has requested the medical charts and corresponding billing documents to determine whether to allow or disallow a claim. According to Mental Health billing personnel, approximately twenty patients' charts and billing documents have been provided to Transamerica Occidental each month. Transamerica Occidental served as a fiscal intermediary for HCFA and was charged with final approval of payment of Medicare Part B claims from Ventura County.

F-3 Transamerica Occidental Insurance Company did not notify the County that county personnel were coding incorrectly, nor did they notify the County that county personnel were using inappropriate billing procedures.

F-4 This on-going chart review by Transamerica Occidental Insurance Company contributed to a false sense of compliance by the Mental Health Billing Department.

F-5 The Grand Jury further questions the role of Transamerica Occidental in the training of Ventura County billing personnel. Billing training sessions were scheduled quarterly by Transamerica Occidental. A review of the contract with HCFA, and amendments made part of the original contract, discloses that training for appropriate billing was cited in the "scope of the work."

F-6 Although training was provided, the Grand Jury has been told by Ventura County mental health billing personnel that this training never addressed Medicare Part B, Mental Health Outpatient Clinic Billing procedures. Medicare Part B, Mental Health Outpatient Clinic billing is, however, the billing that Transamerica Occidental had contracted to review with responsibility to authorize payment by HCFA.

Conclusions

The Grand Jury concludes that Transamerica Occidental Insurance Company contracted with HCFA to serve as the fiscal intermediary to prevent payment of claims that were Medicare non-compliant and, as part of this contract, had a corresponding obligation to providing meaningful training in appropriate billing procedures to Ventura County Personnel.

C-1 That the Transamerica Occidental Insurance Company contract with HCFA required Transamerica to provide training to Ventura County mental health billing personnel for the billing that Transamerica had contracted with HCFA to review prior to payment—Medicare Part B. (F-1, F-4, F-5)

C-2 That the monthly chart review provided by Transamerica Occidental Insurance Company as part of the performance of billing oversight for appropriate payment for Medicare Part B was, in part, a contributing factor to a level of confidence by Ventura County billing personnel that the billing procedures were compliant. (F-2, F-3, F-4)

C-3 That omissions in the performance of Transamerica Occidental Insurance to providing full and comprehensive service to HCFA, and therefore to Ventura County, in no way obviate the responsibility of Medicare Part B oversight by Ventura County administrators. (F-3)

Recommendations

R-1 That, although Ventura County may have no recourse against Transamerica Occidental Insurance Company for their possible failure to provide some contracted services to the Health Care Financial Administration (HCFA), the Chief Administrative Officer should continue to explore all avenues to mediate the fines and penalties that have been assessed for billing errors in the Behavioral Health Department. (C-1, C-2)

D. ADMINISTRATION

Findings

Ventura County Health Care Agency was and is responsible for accurate billing procedures and for full and complete knowledge of Medicare rules and regulations. Transamerica Occidental's role as overseer of Medicare claims does not supplant the responsibility of Ventura County Health Care Agency for accurate billing.

F-1 The Grand Jury finds ample documentation to suggest that some administrators of the Behavioral Health Department focused on maximizing funding to provide services for those who suffer serious mental illness and their families.

F-2 The Grand Jury found no evidence to indicate that the inappropriate billing procedures were knowingly and deliberately falsified to increase funding.

F-3 The Grand Jury also reviewed the job description for the Director of Behavioral Health and found the "job duties may include…*Assures that federal, state and local standards and regulations are effectively implemented.*"

F-4 Behavioral Health Administration hired their own staff to do utilization review. This practice effectively prevented the checks and balances provided by objective oversight.

F-5 Although the implementation of federal regulations, which would include Medicare billing procedures, is included in the job description, testimony before the Grand Jury indicates that neither Director of Behavioral Health for the time when the billing irregularities occurred had such special knowledge.

F-6 Short-Doyle MediCal bills are submitted monthly. This billing is certified as correct, under penalty of prosecution for fraud, by signature of the senior accountant and the Director of Behavioral Health.

F-7 Medicare Part B billing is submitted monthly. This billing is considered "certified" by virtue of a computer transmission. No signature is required.

F-8 The organizational charts for Behavioral Health Department from 1990 through 1999 indicate an inconsistent administrative relationship between mental health billing personnel and the senior accountant in the Ventura County Health Care Agency with responsibility for mental health billing.

Conclusions

C-1 Utilization review by internal personnel is inappropriate and leads to inadequate oversight. (F-4)

C-2 Outside personnel with expertise in Short-Doyle and Medicare billing procedures might have provided an effective safeguard to ensure appropriate coding/billing of services for Medicare Part B. (F-4)

C-3 The tenuous relationship between the Health Care Agency accounting personnel and the Behavioral Health Department billing personnel fractured the clear responsibility for oversight of billing procedures. (F-6, F-7, F-8)

C-4 The Short-Doyle MediCal requirement that both the Director of Behavioral Health and the Senior Accountant, with responsibility for the correctness of mental health billing, certify the monthly billing is a reasonable and judicious procedure that establishes clear accountability. (F-3, F-5, F-6)

C-5 The Behavioral Health Department leadership focused on maximizing funding to the extent that sound fiscal management policies were ignored and this lack of fiscal control placed the finances of Ventura County in jeopardy. (F-1, F-2, F-3, F-4, F-5)

Recommendations

R-1 That the Director of Ventura County Health Care Agency review the job descriptions of administrative personnel of the Behavioral Health Department. If an administrator does not have the expertise required by the job description (such as knowledge of Medicare billing rules and regulations), the HCA Director should provide the employee with written guidelines as to where and how he is to acquire the expertise or create a new position, with the appropriate qualifications, to fill the void. (C-4, C-5)

R-2 That the policies and procedures for the Behavioral Health Department clearly define utilization review as a function of an objective third party who possesses the required expertise to evaluate compliance with MediCal and Medicare regulations. (C-2)

R-3 That the organizational relationship between mental health billing staff and the senior accountant responsible for the accuracy of mental health billing be reviewed and evaluated to ensure appropriate checks and balances are implemented. (C-3)

R-4 That the Ventura County Health Care Agency require that the Director of Behavioral Health and the Senior Accountant with responsibility for the accuracy of Medicare Part B billing certify the monthly billing as compliant and accurate, prior to the computerized submission to HCFA for payment, by signing a statement similar to the statement required Short-Doyle MediCal billing. (See Figure 1) (C-4)

Responses

Section A: Mental Health Billing Section

Director of Behavioral Health (R-1, R-2, R-3)
Director, Ventura County Health Care Agency (R-1, R-2, R-3)

Section B: Information Systems Department Section

Director, Ventura County Health Care Agency (R-1, R-2, R-3)
Director, Information Systems Department (R-1, R-2, R-3)
Director, Behavioral Health Department (R-1, R-2, R-3)

Section C: Transamerica Occidental Insurance Company Section

Chief Administrative Officer (R-1)
County Counsel (R-1)

Section D: Administration Section

Director, Ventura County Health Care Agency (R-1, R-2, R-3, R-4)
Director, Behavioral Health Department (R-1, R-2, R-3, R-4)