

DEPARTMENT OF SOCIAL SERVICES
AUDIT PROTOCOL – ALCOHOL AND DRUG ABUSE CENTERS
UPDATED FEBRUARY 1, 2015

Listed are the most common audit findings for Medicaid Alcohol and Drug Abuse Centers, and clarification of the criteria the Connecticut Department of Social Services (the “Department”) uses when it makes those findings. Disallowances for services under the Medicaid program are governed by policies included in the Connecticut Medical Assistance Program Provider Manual (PM), the Medicaid Provider Enrollment Agreement (PA), Provider Bulletins (PB), Provider Transmittals (PT), the Regulations of Connecticut State Agencies (Conn. Agencies Regs.), the Connecticut General Statutes (Conn. Gen. Stat.), and the Code of Federal Regulations (C.F.R.).

This protocol is for chemical maintenance, inpatient detoxification, and ambulatory detoxification services. A separate protocol has been developed for Community Mental Health Clinics. The protocol was divided into three sections: Inpatient, Outpatient, and Inpatient and Outpatient.

Inpatient Services

Finding	Department Criteria	Regulatory Reference
Services - Admission Timely Medical Examination	The Department will disallow payment for the days of inpatient stay that were paid in which the recipient was not seen by a physician within 24 hours of the start of the inpatient stay.	PM 160E.I.a.1(a)
Services - Physician Order	The Department will disallow payment if there is no order from a physician.	PM 160F.I.
Limitations - Length of Treatment	The Department will disallow payment for any days that are in excess of a ten-day period for each occurrence.	PM 160E.II.b.
Services - Need	The Department will disallow payment for service if the documentation does not substantiate (1) a diagnosis of alcohol ingestion; (2) that the recipient requires services as a result of the recipient's condition; and (3) that the recipient is willing and able to participate in the care plan.	PM 160F.II.

Outpatient Services

Finding	Department Criteria	Regulatory Reference
Billing - Payment Limitations	The Department will disallow the amount paid in excess of the lowest of: (1) the amount in the applicable fee schedule; (2) the amount in the provider's rate letter; or (3) the amount billed by the provider.	Conn. Agencies Regs. § 17b-262-827(g)
Limitation - Admission to Methadone Treatment	The Department will disallow payment if the paid service was for methadone treatment and the patient did not meet the admission criteria.	42 C.F.R. § 8.12(e)(1) to (3)
Limitations - Admission to Detoxification Treatment	The Department will disallow payment if the payment was for a third detoxification treatment episode within one year.	42 C.F.R. §8.12(e)(4)
Limitations for Detoxification Treatment - Lab Services	If the Department paid another provider's lab service for drug testing within 30 days of a paid detoxification treatment service, the Department will reduce the cost of the paid detoxification treatment service by the cost of the lab service paid to the other provider. The Department will not disallow payment if the recipient's medical record includes an appropriate order requesting further analysis by an independent lab and documentation that the results of all testing have been appropriately reviewed.	Conn. Agencies Regs. § 17b-262-822(c)(4)
Limitations for Detoxification Treatment - Counseling Billed Separately	If the Department paid another provider for counseling services that were directly related to substance addiction on the same date of a paid detoxification treatment service, the Department will reduce the cost of the paid detoxification treatment service by the cost of the counseling services paid to the other provider.	Conn. Agencies Regs. § 17b-262-822(c)(4)
Limitations for Detoxification Treatment - Maximum Billing	The Department will disallow payment for service if there was already a paid service for that or if the date of service is after 90 days from the date of admission.	Conn. Agencies Regs. § 17b-262-822(c)(2) to (3)
Limitations for Detoxification Treatment - Plan of Care	The Department will disallow payment for service if the initial care plan does not document that the goal is to reduce a client's dependence on a substance to abstinence.	Conn. Agencies Regs. § 17b-262-822(c)(1)
Limitations for Methadone and Detoxification - Dual Payment	If methadone treatment and detoxification treatment were paid for the same time period, the Department will disallow the highest paid service	Conn. Agencies Regs. § 17b-262-822(c)(5)

Limitations for Methadone - Counseling Billed Separately	If the Department paid another provider for counseling services that were directly related to drug addiction within a week of the date of a paid chemical maintenance treatment service, the Department will reduce the cost of the paid chemical maintenance treatment service by the cost of the counseling services paid to the other provider.	Conn. Agencies Regs. § 17b-262-822(b)(2)
Limitations for Methadone - Lab Services	If the Department paid another provider's lab service for drug testing within a week of the date of a paid chemical maintenance treatment service, the Department will reduce payment for the chemical maintenance treatment service by the cost of the lab service paid to the other provider. The Department will not reduce payment for the chemical maintenance treatment service if the recipient's medical record includes an appropriate order requesting further analysis by an independent lab and documentation that the results of all testing have been appropriately reviewed.	Conn. Agencies Regs. § 17b-262-822(b)(2) PB 2014-59
Services for Detoxification Treatment - Counseling Not Provided	The Department will disallow payment for detoxification treatment if the recipient did not receive the required counseling, as specified in the recipient's care plan, prior to the detoxification treatment.	Conn. Agencies Regs. § 17b-262-822(c)(4)
Services for Detoxification Treatment -Required Drug Testing	The Department will disallow payment for detoxification treatment services if there was no testing or analysis for drug abuse performed within the lesser of the timeframe indicated in the plan of care or 30 days prior to the treatment services.	42 C.F.R. § 8.12(f)(6)
Services for Methadone Treatment - Face-to Face Requirements	The Department will disallow payment if there was no face-to-face service provided within a week of the dates of service for which claims have been paid.	Conn. Agencies Regs. § 17b-262-822(b)(2)
Services for Methadone Treatment - Counseling Not Provided	The Department will disallow payment for chemical maintenance treatment if the recipient did not receive the required counseling, as specified in the care plan, prior to chemical maintenance treatment.	Conn. Agencies Regs. § 17b-262-822(b)(2)
Services for Methadone Treatment - Required Drug Testing	The Department will disallow payment for methadone treatment if there was no testing or analysis for drug abuse within the lesser of two months or testing frequency per the plan of care, prior to the date of the methadone treatment service. The two months is used as a conservative requirement based on federal regulations requiring a minimum of 8 tests per year.	42 C.F.R. § 8.12(f)(6)

Inpatient and Outpatient Services

Finding	Department Criteria	Regulatory Reference
Billing - Cancelled Visits or Appointments Not Kept.	The Department will disallow payment if the provider was paid for services in which the recipient was a "no-show" or for which the recipient cancelled the visit.	Conn. Agencies Regs. §§ 17b-262-531(h); 17b-262-823(2)
Billing - Duplicate Services	The Department will disallow a second payment for service if the provider has billed the Department separately for a service that is included in the reimbursement for that or another paid service; OR if the provider billed the Department for a service that is part of the follow-up care for that or another paid service; OR if the provider billed for a service for which the Department previously paid that or a related provider, unless it can be shown that payment for the first service should not have been made.	PM 171B.V. Conn. Agencies Regs. §§ 17b-262-821; 17b-262-823(8)
Billing - Failure to Utilize Third Party Liability.	The Department will disallow payment for service if there is a private insurance/third-party payor, including Medicare, that the provider failed to bill first.	Conn. Agencies Regs. §§ 17b-262-526(2) and (3); 17b-262-529(3); 17b-262-531(c)
Documentation	The Department will disallow payment if the paid service is not properly documented in the recipient's case file.	Conn. Agencies Regs. §§ 17b-262-828; 19a-495-570(m)(3); 17b-262-526(7) and (8)
Limitations - Prior Authorization	The Department will disallow payment for reimbursed service if a reimbursed service did not comply with prior authorization requirements.	Conn. Agencies Regs. §§ 17b-262-825; 17b-262-821(b)
Limitations - Services	The Department will disallow payment that exceeds the service limitations outlined in the Medicaid program.	Conn. Agencies Regs. § 17b-262-822 PM 160E.
Medical Record - Not Signed	The Department will disallow payment if the performing practitioner fails to sign his/her notes with his/her signature or initials in the medical records.	Conn. Agencies Regs. §§ 17b-262-828(a), (d), (g); 17b-262-526(7)
Services - Not Medically Necessary	The Department will disallow payment if the paid service is determined as not medically necessary to treat the recipient's condition, as determined by the documentation in the case file.	Conn. Agencies Regs. §§ 17b-262-821(a); 17b-262-824
Services – Care Plan	The Department will disallow payment if the paid service was made for a recipient that did not have a proper care plan developed.	42 C.F.R. § 8.12(f)(4) Conn. Agencies Regs. §§ 17b-262-824(d) to (g); 19a-495-570(m)(6)

Services - Unlicensed Staff	The Department will disallow payment if the service is rendered by an unlicensed individual.	Conn. Agencies Regs. §§17b-262-819; 19a-495-570(m)(7)(H) 42 C.F.R. § 8.12(h) PM 160C.II.
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