



# North Sound Behavioral Health Organization, LLC

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North Sound BHO Contract Memorandum 2017-010

Date: June 23, 2017

To: Tom Sebastian, Compass Health and Compass Whatcom  
Donna Konicki, Bridgeways  
Michael Watson, Lake Whatcom RTC  
Will Rice, Catholic Community Services Northwest  
Claudia D'Allegrì, Sea Mar  
Cammy Hart-Anderson, Snohomish County MH/CD/Vets Division Manager  
Phil Smith, Volunteers of America  
Randy Polidan, Unity Care NW  
Sue Closser, Sunrise Services  
Robert Sullivan, Pioneer Human Services  
Beratta Gomillion, Center for Human Services  
Corky Hundahl, Phoenix Recovery Services  
Julie Lord, Pioneer Human Services  
Linda Grant, Evergreen Recovery Services  
Marli Bricker, Therapeutic Health Services

From: Joe Valentine

Subject: Preliminary finding during recent Utilization Review (UR) and Encounter Data Validations (EDV) audits

Greetings BHA Providers:

I am writing to inform you of a trend and significant preliminary finding noted during recent Utilization Review (UR) and Encounter Data Validations (EDVs) that have been conducted by North Sound BHO at Behavioral Health Agencies (BHA), both Mental Health (MH) and Substance Use Disorder (SUD), in the North Sound Network. This preliminary information was shared at the Integrated Provider meeting on June 12, 2017.

By way of background, as the Compliance Officer for North Sound BHO, I am informed of findings from all BHO audit activities that may constitute Medicaid fraud, waste or abuse or are not in keeping with sound business practices.

The findings of concern and trend observed during recent UR and EDVs are tasks that were submitted to North Sound BHO as H2015 and H0047 encounters that either do not meet [Service Encounter Reporting Instructions \(SERI\)](#) code, service guidelines, or are contrary to Medicaid requirements in keeping with sound business practices. (SERI code H2015-Comprehensive Community Support Services-and SERI code H0047-Alcohol and/or other drug abuse services, not otherwise specified (case management)).

Without correction, these findings would constitute Medicaid fraud. Ultimately, BHAs where findings were made will receive a detailed letter to formally place the agency in remedial action with direction to complete a Corrective Action Plan (CAP) and given specific requirements as to what needs to be addressed, including a list of the records where these issues were noted. However, BHAs are contractually obligated to have quality management processes in place and each should also conduct their own internal review to determine the extent and degree of any reported issue, without waiting on assignment of remedial action by the BHO.

June 23, 2017

To provide timely communication to all BHAs of this noted trend, the following outlines those significant findings that do not meet the criteria to be submitted as an encounter or are not in keeping with sound business practice:

1. Leaving of voice messages cannot be encountered, though documentation may be included in the treatment record.
2. Assessing sliding fee scale payments to individuals for services paid for by North Sound BHO, whether individuals are Medicaid or State funded, constitutes Medicaid fraud. While not encountered, any charges to individuals for services paid for by North Sound BHO must be immediately refunded.
3. Internal consultations and/or consultation during supervision meetings are not encounterable. It is permissible and encouraged to document staffing/supervision/internal consultation in a chart. Care should be taken to ensure any supervision notes included in a treatment record are specific to that individual (e.g., do not include information pertaining to other individuals' treatment). Again, although this information can and should be documented, it cannot be encountered/billed.

BHAs should ensure all employees receive initial and ongoing training to ensure appropriate use of SERI codes, what services may be encountered and what treatment documentation is not encounterable.

Again, this letter is provided as preliminary notice to communicate a trend observed during recent clinical audits.

If you desire any further clarification or have any additional issues you would like to discuss, please do not hesitate to contact me.

Sincerely,

Lisa L. Grosso, BS MA CHC  
Operations Manager/ Compliance & Privacy Officer  
Interim IS/IT Administrator

CC:

Bill Whitlock, Fiscal Officer  
Margaret Rojas, HR/Contracts Manager  
Sharon Toquinto, Substance Use Disorder Services Manager  
File  
Cindy Ferraro, Bridgeways  
Becky Olson-Hernandez, Compass Health  
Kay Burbidge, Lake Whatcom RTC  
Pat Morris, Volunteers of America  
Katherine Scott, Sea Mar  
Richard Sprague, Unity Care NW  
Danae Bergman, Center for Human Services  
Jackie Henderson, Island County Coordinator  
Barbara LaBrash, San Juan County Coordinator  
Rebecca Clark, Mental Health Program Coordinator Skagit County  
Anji Jorstad, Snohomish County Coordinator  
Anne Deacon, Whatcom County Coordinator  
Marsh Kellegrew, Evergreen Recovery Services  
Robert Sullivan, Pioneer Human Services  
Perry Mowery, Whatcom County  
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