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Medicaid funding to CED stopped until billing allegation can be examined

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MONTGOMERY — Medicaid has told the Alabama Department of Mental Health it has stopped state and federal payments to the CED Mental Health Center in Northeast Alabama because of an allegation of fraudulent billing.

Mental Health Commissioner Zelia Baugh on Monday said Medicaid notified her agency on Friday of an audit that questioned CED's billing practices.

CED serves Cherokee, Etowah and DeKalb counties.

CED Executive Director Sheila Hurley said she knows little of the audit except that an allegation of questionable billing has been made and Medicaid payments have to be stopped.

Billing questions were resolved by repayments in the past, but under the Affordable Care Act of 2010 signed into law by President Barack Obama, an allegation requires Medicaid to halt payments.

"We don't know anything in detail beyond there's allegation that's been made," Hurley said. "Right now this is new to everyone."

A Friday memorandum by Jane Davis, director of the Department of Mental Health's office of legislative and constituent affairs, said a Medicaid audit alleged "fraudulent billing practices."

"Please be mindful of the word alleged," Davis wrote. "I want to make it very clear that this is an allegation and guilt has not been established."

Monday was a state holiday and the Alabama Medicaid office was closed.

Medicaid is allowing the department to make changes so the tri-county agency can continue as a mental health service provider.

Baugh said information is sketchy. "Medicaid is working with us diligently to help us find a resolution so there's not disruption of services in these counties," she said in an interview.

She said her agency will cooperate with the Alabama Council of Community Mental Health Boards to provide administrative and clinical support for CED.

James L. Dill, executive director of the Alabama Council of Community Mental Health Boards, said he just learned about the audit and would work with members and the department to continue service for CED clients.

Dill said a meeting is scheduled for today to try to learn more.

"We will do everything possible to minimize interruptions of services for these Alabama citizens," Baugh said.

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