



Dave Yost • Auditor of State

**CONSTANCE CARE HOME HEALTHCARE, LLC
PICKAWAY COUNTY**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH MEDICAID REQUIREMENTS APPLICABLE TO HOME HEALTH SERVICES

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Constance Care Home Healthcare, LLC
Ohio Medicaid # 2234666

We have examined Constance Care Home Healthcare, LLC's (the Provider) compliance with specified Medicaid requirements for service documentation, service authorization and provider qualifications related to the provision of home health services during the period of January 1, 2015 through December 31, 2015.

The Provider entered into an agreement (the Provider Agreement) with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients and to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Management of Constance Care Home Healthcare, LLC is responsible for its compliance with the specified requirements. The accompanying Compliance Examination Report identifies the specific requirements examined. Our responsibility is to express an opinion on the Provider's compliance with the specified Medicaid requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Provider complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Provider complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Provider's compliance with the specified requirements.

Internal Control Over Compliance

The Provider is responsible for establishing and maintaining effective internal control over compliance with the Medicaid requirements. We did not perform any test of the internal controls and we did not rely on the internal controls in determining our examination procedures. Accordingly, we do not express an opinion on the effectiveness of the Provider's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that in a material number of instances the individuals rendering personal care aide services did not meet the applicable qualification requirements, specifically to obtain and maintain first aid certification.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the Provider has complied, in all material respects, with the aforementioned requirements for the period of January 1, 2015 through December 31, 2015.

Our testing was limited to the specified Medicaid requirements detailed in the Compliance Examination Report. We did not test other requirements and, accordingly, we do not express an opinion on the Provider's compliance with other requirements.

We found the Provider was overpaid by Ohio Medicaid for services rendered between January 1, 2015 and December 31, 2015 in the amount of \$135,135.00. This finding plus interest in the amount of \$5,775.63 (calculated as of the date of this report) totaling \$140,910.63 is due and payable to the ODM upon its adoption and adjudication of this examination report. When the Auditor of State identifies fraud, waste or abuse by a provider in an examination,¹ any payment amount in excess of that legitimately due to the provider will be recouped by ODM, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of the Provider and the ODM, and is not intended to be, and should not be used by anyone other than this specified party.



Dave Yost
Auditor of State

August 29, 2017

¹ "Fraud" is an intentional deception, false statement, or misrepresentation made with the knowledge that the deception, false statement, or misrepresentation could result in some unauthorized benefit to oneself or another person. "Waste and abuse" are practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and that constitute an overutilization of Medicaid covered services and result in an unnecessary cost to the Medicaid program. Ohio Admin. Code § 5160-1-29(A)

Compliance Examination Report

Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. The rules and regulations that providers must follow are specified in the Ohio Administrative Code and the Ohio Revised Code. The fundamental concept underlying the Medicaid program is medical necessity of services: defined as services which are necessary for the prevention, diagnosis, evaluation or treatment of an adverse health condition. See Ohio Admin. Code § 5160-1-01(A) and (B)

Medicaid providers must "maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions" for a period of six years from receipt of payment or until any audit initiated within the six year period is completed. Providers must furnish such records for audit and review purposes. Ohio Admin Code § 5160-1-17.2(D) and (E)

Ohio Medicaid recipients may be eligible to receive home health aide services, personal care aide services or both. The only provider of home health aide services is a Medicare certified home health agency (MCRHHA) that meets the requirements in accordance with Ohio Admin. Code § 5160-12-03. Personal care aide services can be provided by a MCRHHA, an otherwise-accredited home health agency or a non-agency personal care aide.

This Provider is a MCRHHA and furnishes home health services. During the examination period, the Provider received reimbursement from the Ohio Medicaid program of \$989,198.04 for 19,643 home health services rendered on 12,713 recipient dates of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. These Medicaid home health services included the following:

- \$478,542.95 for skilled nursing services (procedure code G0154);
- \$356,685.03 for personal care services (procedure code T1019);
- \$97,268.33 for home health aide services (procedure code G0156);
- \$22,295.73 for private duty nursing services (procedure code T1000);
- \$4,793.18 for waiver nursing services (procedure codes T1002 and T1003);
- \$6,510.12 for nursing assessment/evaluation services (procedure code T1001);
- \$20,575.86 for physical therapy services (procedure code G0151);
- \$2,177.14 for occupational therapy services (procedure code G0152); and
- \$349.70 for speech pathology services (procedure code G0153).

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's claims for reimbursement complied with Ohio Medicaid regulations. The scope of the engagement was limited to an examination of home health (skilled) nursing (procedure code G0154); home health aide (procedure code G0156); and personal care aide (procedure code T1019) that the Provider rendered during the period of January 1, 2015 through December 31, 2015 and received payment from Ohio's Medicaid program. Please note that all rules and code sections relied upon in this report were those in effect during the examination period and may be different from those currently in effect.

We received the Provider's claims history from the Medicaid Information Technology System (MITS). We removed all services with a paid amount of zero. We extracted procedure codes G0154, G0156 and T1019 and used statistical sampling approach to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

Purpose, Scope, and Methodology (continued)

We stratified the services by RDOS into four strata due to the moderate variability in the amount paid and the number of services rendered per RDOS. The final calculated stratified random sample size is shown in **Table 1**.

Table 1: Statistical Sample		
Universe/Strata	Population	Sample
Strata 1: RDOS Paid at Less Than \$50.00	4,156	69
Strata 2: RDOS Paid Between \$50.00 and \$89.99	5,054	131
Strata 3: RDOS Paid Between \$90.00 and \$149.99	2,016	94
Strata 4: RDOS Paid at \$150.00 and Above	1,211	101
Total RDOS:	12,437	395

We then obtained the detail services for the 395 sampled RDOS. This resulted in a sample size of 756 services.

An engagement letter was sent to the Provider setting forth the purpose and scope of the examination. During the entrance conference, the Provider described its documentation practices and process for submitting billing to the Ohio Medicaid program. During fieldwork we reviewed personnel records and service documentation. We sent a missing records list to the Provider and we reviewed all documents received for compliance.

Results

We examined 756 services in our statistical sample and found 124 errors. The overpayments identified for 86 of 395 RDOS (122 of 756 services) from our stratified statistical random sample were projected across the Provider's total population of paid RDOS. This resulted in a projected overpayment amount of \$159,495 with a precision of plus or minus \$29,487 at the 95 percent certainty. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits). Additional corrections were then done for skewness in strata one and two and a final overpayment was made for \$135,135. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$135,135. A detailed summary of the statistical sample and projection result is presented in **Appendix I**.

While certain services had more than one error, only one finding was made per service. The basis for our findings is discussed below in more detail.

A. Provider Qualifications

Nursing Services

According to Ohio Admin. Code § 5160-12-01(A), home health nursing requires the skills of and is performed by either a registered nurse or a licensed practical nurse at the direction of a registered nurse.

A. Provider Qualifications (Continued)

We searched the names of the 23 nurses that rendered services in the sample on the Ohio e-License Center website to ensure that their professional license was current and valid on the first date of service in our tests and was active during remainder of examination period.

We found no instances of non-compliance.

Aide Services

Ohio Admin. Code §§ 5160-46-04(B)(6) and 5160-50-04(B)(6) stipulate that personal care aides obtain and maintain first aid certification. In addition, for home and community based waivers administered by the Ohio Department of Developmental Disabilities, the Ohio Admin. Code § 5123:2-9-56(C)(3) states a personal care aide shall hold valid "American Red Cross" or equivalent certification in first aid.

We tested all aides that rendered personal care aide services in the sample. The Provider could not submit a list of staff that differentiated between home health aides and personal care aides. While reviewing the sample, we compiled the individuals that rendered a personal care aide service and then requested first aid certifications for those individuals.

First Aid Certification

In 2014, the Provider began including first aid topics in its new hire orientation program and submitted documentation stating that its new hire orientation included hands on training on first aid related topics and a demonstration of skills learned. Prior to 2014, the Provider had made arrangements for instructors from the American Red Cross to provide first aid training. The nurse conducting the in-house orientation was a certified instructor; however, this individual certification ended in October 2015.

The Provider issued in-house Basic First Aid Training certificates to its staff; however, a review of these certificates showed that they had no expiration date. The Provider explained the certifications were valid while the staff remained in its employment. In addition, the Provider acknowledged that it issued these certificates to aides that had obtained first aid certification from external organization. A comparison of the Provider's in-house certificates to the external certificates found that the in-house certificates were dated the same date as the effective date of the external certificates. Information obtained during the examination indicated that the in-house certificates were issued regardless of whether or not these employees actually participated in the in-house orientation.

Due to the issues noted above, we determined that aides with external certification did not maintain first aid certification after those certificates expired. The in-house certificate issued on the same date as the external certificate did not meet the requirement to obtain and maintain certification as required by the Medicaid rules.

Of the 30 aides tested, we determined that 13 had lapses in maintaining first aid certification. We identified 101 services rendered by an aide who was did not meet the qualifications to provide personal care aide services on that date of service. These 101 errors were used in the overall projection of \$135,135.

First Aid Certification (Continued)

Recommendation:

The Provider should develop and implement procedures to ensure all personnel meet applicable requirements prior to rendering direct care services and maintain appropriate documentation to demonstrate that all requirements have been met. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

In addition, the Provider should review its in-house first aid training program to ensure that it is equivalent to a more standardized training program. A comparison of the topics covered by the Provider's in-house program shows that it was not equivalent to external programs such as the American Red Cross, which provides a more comprehensive curriculum along with a student handbook. The Provider was unable to provide a curriculum and never indicated a first aid handbook was issued. In addition, the Provider's in-house certificates should specify a valid period to ensure that individuals get additional training to maintain that certification.

B. Service Documentation

The MCRHHA must maintain documentation of home health services provided that includes, but is not limited to, clinical records and time keeping that indicate time span of the service and the type of service provided. See Ohio Admin. Code § 5160-12-03(C)(4) Documentation to support personal care aide services must include the tasks performed or not performed and the arrival and departure times. See Ohio Admin. Code §§ 5160-46-04(B)(8), 5160-50-04(B)(8) and 5123:2-9-56(E)(2)

We reviewed all documentation submitted by the Provider to verify that there was documentation which supported the services and units billed and contained the required elements.

We reviewed 756 services and identified 19 services in which there was no supporting documentation and two services in which the units billed exceeded the documented duration of service. These 21 errors were used in the overall projection of \$135,135.

We also found two services in which the documentation was missing the time-in and the time-out. Both services were provided on a date prior to July 1, 2015 when the definition of a base rate changed. In both instances the provider only received payment for the base rate; therefore, no overpayment was associated with these two errors.

Recommendation:

The Provider should develop and implement procedures to ensure that all service documentation fully complies with requirements contained in Ohio Medicaid rules. In addition, the Provider should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. Authorization to Provide Services

Plan of Care

All home health providers are required by Ohio Admin. Code § 5160-12-03(B)(3)(b) to create a plan of care for recipients including recipients' medical condition and treatment plans anticipated by provider. The plan of care is also required to be signed by the treating physician of recipient. Home health providers must obtain the completed, signed and dated plan of care prior to billing ODM for the service.

Constance Care Home Healthcare, LLC
Independent Auditor's Report on
Compliance with the Requirements of the Medicaid Program

Plan of Care (Continued)

We reviewed plans of care for each nursing and home health aide service in the sample to ensure that the plans authorized the provider and the service, and was signed and dated by a physician prior to the Provider submitted claim to ODM.

We found no errors.

Official Response

The Provider submitted an official response to the results of this examination which is presented in **Appendix II**. The Provider disputes the identified findings for non-compliance with the first aid certification requirements. We did not examine the Provider's response and, accordingly, we express no opinion on it.

Auditor of State Conclusion

We reviewed the official response and determined that no change to the results was warranted. The certificates of completion for first aid training were valid for a two-year period. The documentation clearly demonstrated that these aides did not maintain their first aid certification after this two-year period as required by the Medicaid rules.

APPENDIX I

POPULATION

The population is all paid Medicaid home health (skilled) nursing (procedure code G0154), home health aide (procedure code G0156) and personal care aide (procedure code T1019) services, less certain excluded services, net of any adjustments, where the service was performed and payment was made by ODM.

SAMPLING FRAME

The sampling frame was paid and processed claims from MITS. These systems contain all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLE UNIT

The sampling unit was a recipient date of service (RDOS).

SAMPLE DESIGN

We used a stratified random sample.

Description	Results
Number of Population Recipient Dates of Service (RDOS)	12,437
Number of Population Recipient Dates of Service Sampled	395
Number of Population Services Provided	18,932
Number of Population Services Sampled	756
Number of Services Sampled with Errors	122
Total Medicaid Amount Paid for Population	\$932,496.31
Actual Amount Paid for Population Services Sampled	\$40,895.68
Estimated Overpayment (Point Estimate)	\$159,495
Precision of Overpayment Estimate at 95% Confidence Level	\$29,487
Precision of Overpayment Estimate at 90% Confidence Level	\$24,360 ¹
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) (Equivalent to the estimate used for Medicare Audits) Note: lower limit precision was expanded due to skewness to \$135,135.35 ≈ \$135,135. ¹	\$135,135

Source: AOS analysis of MITS information and the Provider's records.

¹The adjustment was done using the method described in "Sampling Methods For The Auditor, An Advanced Treatment" by Herbert Arkin. This technique made use of tables provided by E.S. Pearson and H.O. Hartley, Biometrika Tables for Statisticians, Volume 1 3rd Ed., Cambridge University Press, New York, 1969, table 42.

APPENDIX II

Constance Care Home Healthcare, L.L.C.

Constance Care Home Healthcare, L.L.C.
The Herald Square
774 North Court Street

Auditor of the State Of Ohio
88 East Broad Street. 9th Floor
Columbus Ohio 43215

RE: Compliance Examination Report

September 6th, 2017

In regards to the Compliance Examination report performed by the State of Ohio Auditors Office of Constance Care Home Healthcare, LLC we submit the Following response to the report issued by The Auditor of The State of Ohio.

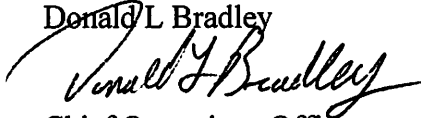
I like to thank the Auditors team for the Professionalism and taking time to answer all questions that this agency had about the Compliance Examination Report.

- 1) In regards to those items in the report that indicated this agency was not able to produce any documentation as proof of services completed properly and in accordance to the regulations we understand our obligation to the Ohio Department of Medicaid.
- 2) In regards to the eligibility of aides who Certificates had expire and a new certificate had been issued as we developed and implemented a new First aide training program. We disagree that these individuals were not eligible as they had First Aide Training provide by our Director of Professional Services who is and was the instructor for both programs we utilized to meet the rule of first aide training for our Personnel providing the authorized services. The Ohio Department of Medicaid rule that pertains to first aide does state how personnel rendering the services are to maintain the certification and leaves it to the agency to determine how they maintain the first aid certification. Those who had prior first aide cards issued under the previous program maintain employment with our agency and demonstrated the knowledge and skills to be eligible to provide services. The Director of Clinical and Professional services was confident in their knowledge and skill issued the new certificate. All of our personnel have received first aide training.

In closing, it is the view of our agency that Personnel that provide services were eligible as they received first aide training and the Ohio Department of Medicaid rule is not specific on how to obtain and maintain first aid certification. The Ohio department of Health found our program acceptable in a survey of this specific requirement. We view the monetary penalty is not reasonable as all personnel reviewed had and have first aide training that meets the regulation.

Respectfully,

Donald L Bradley

A handwritten signature in black ink, appearing to read "Donald L Bradley", written in a cursive style.

Chief Operations Officer

Constance Care Home Healthcare



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CONSTANCE CARE HOME HEALTH

PICKAWAY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 21, 2017**