



Dave Yost • Auditor of State



**AMERICA’S HOME HEALTH SERVICES, LLC**

**FRANKLIN COUNTY**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO HOME HEALTH AND PERSONAL CARE AIDE SERVICES**

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

RE: America's Home Health Services, LLC  
Ohio Medicaid # 2587295

We have examined America's Home Health Services, LLC (the Provider) compliance with specified Medicaid requirements for service documentation, service authorization and provider qualifications related to the provision of home health nursing, home health aide, and personal care aide services during the period of July 1, 2013 through June 30, 2016.

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 America's Home Health Services, 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 modified 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 Provider submitted claims for home health nursing and home health aide reimbursement prior to obtaining signed plans of care, personal care aide services were provided by individuals that did not meet the qualifications to render those services, and waiver service documentation included aide and recipient signatures that appeared to be affixed by the same person.

America's Home Health Services, LLC  
Independent Auditor's Report on  
Compliance with Requirements of the Medicaid Program

**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 July, 1, 2013 through June 30, 2016.

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 identified improper Medicaid payments in the amount of \$1,982,847.40. This finding plus interest in the amount of \$148,387.61 (calculated as of April 3, 2018) totaling \$2,131,235.01 is due and payable to the ODM upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the ODM, which are not validated in the records, are subject to recoupment through the audit process. See Ohio Admin. Code § 5160-1-27. In addition, if waste and abuse<sup>1</sup> are suspected or apparent, the ODM and/or the office of the attorney general will take action to gain compliance and recoup inappropriate or excess payments in accordance with rule 5160-1-27 or 5160-26-06 of the Administrative Code.

This report is intended solely for the information and use of the Provider, the ODM and other regulatory and oversight entities, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

April 3, 2018

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<sup>1</sup> "Waste and abuse" are practices that are inconsistent with professional standards of care; medical necessity; or sound fiscal, business, or medical practices; and that constitutes 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 services, waiver services or both. According to Ohio Admin Code § 5160-12-01(E), the only provider of home health services is a Medicare certified home health agency (MCRHHA) that meets the requirements in accordance with Ohio Admin. Code § 5160-12-03. Waiver services can be provided by a MCRHHA, an otherwise-accredited home health agency or a non-agency nurse or personal care aide.

The Provider is a MCRHHA and received reimbursement of \$4,591,983.65 for 180,980 home health and personal care aide services, including the following:

- 170,708 home health aide services (procedure code G0156);
- 5,103 skilled nursing services (procedure code G0154);
- 4,693 personal care services (procedure code T1019);
- 274 physical therapy services (procedure code G0151); and
- 202 occupational therapy services (procedure code G0152).

Ohio Medicaid number – 2587295 – was originally issued to Liberty Home Health Services, LLC and in 2010 the Provider name was changed to America's Home Health Services, LLC. The Provider had a second Ohio Medicaid number – 3156829 – which became inactive on July 31, 2015. The Provider received additional reimbursement of \$412,282.32 under this second Medicaid number for 10,151 waiver services rendered during the examination period. The scope of this examination did not include the waiver services associated with this second Medicaid number.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid claims for reimbursement complied with Ohio Medicaid regulations. 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.

The scope of the engagement was limited to an examination of home health services; specifically, home health nursing, home health aide, and personal care aide services that the Provider rendered to Medicaid recipients during the period of July, 1, 2013 through June 30, 2016 and received payment.

We received the Provider's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed services paid at zero. We extracted home health nursing (G0154), home health aide (G0156) and personal care aide (T1019) services from the population. We pulled separate samples for each of these three service categories to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1) (see **Table 1**).

**Purpose, Scope, and Methodology (continued)**

The sampling unit for the home health aide services and personal care aide services sample is a recipient date of service. A recipient date of service (RDOS) is defined as all services for a given recipient on a specific date of service. The sampling unit for the home health nursing services sample is a service line, as only one service was provided per service date. A service line is defined as one specific claim line on a claim. We used the U.S. Department of Health and Human Services/Office of Inspector General's (HHS/OIG) RATSTATS<sup>2</sup> statistical program to calculate the overall sample sizes.

<b>Table 1: Sample Sizes</b>			
<b>Universe/Strata</b>	<b>Population</b>	<b>Sample</b>	<b>Sample Services</b>
Home Health Aide (G0156)	93,502 RDOS	578 RDOS	1,051
Personal Care Aide (T1019)	3,229 RDOS	359 RDOS	519
Home Health Nursing (G0154)	5,103 Services	503 Services	503
<b>Total Services</b>			<b>2,073</b>

We then obtained the detailed services for the 937 RDOS of aide services which resulted in 1,570 aide services. When combined with the nursing services, a total of 2,073 services were randomly selected in the three samples.

A notification 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. We reviewed all documentation submitted by the Provider for compliance.

**Results**

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

*Home Health Nursing Sample*

We reviewed 503 home health nursing services and found 213 errors. We found non-compliance that resulted in an improper payment in 41 percent of the examined services. The overpayments identified for 208 of 503 statistically sampled services were projected to the Provider's population of paid home health nursing claims resulting in a projected overpayment of \$104,244 with a 95 percent degree of certainty that the true population overpayment amount fell within the range of \$93,845 to \$114,643 (+/- 9.98 percent.) A detailed summary of our statistical sample and projection results is presented in **Appendix I**.

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<sup>2</sup> RAT-STATS is a free statistical software package that providers can download to assist in a claims review. The package, created by OIG in the late 1970s, is also the primary statistical tool for OIG's Office of Audit Services.



## Results (Continued)

### *Home Health Aide Sample*

We reviewed 1,051 home health aide services and found 437 errors. We found non-compliance that resulted in improper payment in 40 percent of the examined services. The overpayments identified for 233 of 578 statistically sampled RDOS (425 of 1,051 services) were projected to the Provider's population of paid home health aide claims resulting in a projected overpayment of \$1,642,976 with a 95 percent degree of certainty that the true population overpayment amount fell within the range of \$1,474,679 to \$1,811,272 (+/- 10.24 percent.) A detailed summary of our statistical sample and projection results is presented in **Appendix II**.

### *Personal Care Aide Sample*

We reviewed 519 personal care aide services and found 579 errors. We identified 100 percent of the services in the sample as non-compliant as none of the individuals providing the services met the required qualifications, specifically first aid certification. As a result, we identified the full amount of reimbursement for personal care aide services rendered by the Provider during the examination period, \$235,627.40, as an improper payment.

## **A. Provider Qualifications**

### *Home Health Nursing Services*

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

We identified nine RNs and three LPNs that rendered services in the sample and verified via the Ohio e-License Center website that their professional licenses were current and valid on the first date of service in the sample and were active during the remainder of the examination period.

We found no instances of non-compliance with the nursing licenses.

### *Home Health Aide Services*

We did not examine provider qualifications for home health aides.

### *Personal Care Aide Services*

In order to submit a claim for reimbursement, all individuals providing personal care aide services must obtain and maintain first aid certification from a class this is not solely internet-based and that includes hands-on training by a certified first aid instructor and a successful return demonstration of what was learned in the course. See Ohio Admin. Code §§ 5160-46-04(B) and 5160-50-04(B).

We reviewed personnel records for the nine personal care aides who rendered services in the statistical sample. We found that all nine personal care aides lacked a first aid certification during the examination period. The Provider explained that it did not know of this requirement for personal care aides and did not require first aid for any of its employees.

We reviewed 519 personal care aide services and identified 519 services (100 percent) were rendered by an aide who lacked first aid certification on the date of service. We identified the full reimbursement of \$253,627.40 for personal care aide services rendered during the examination period as an improper payment.

**A. Provider Qualifications (Continued)**

**Recommendation:**

The Provider should review the Ohio Medicaid rules and improve its internal controls to ensure all personnel meet applicable requirements prior to rendering direct care services. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

**B. Authorization to Provide Services**

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

*Home Health Nursing Sample*

We examined 503 home health nursing services and identified 199 services (40 percent) that were submitted for reimbursement prior to the date the physician signed the plan of care. We also found five services in which the physician's signature on the plan of care was not dated.

These 204 instances of non-compliance were used in the overall projection amount of \$104,244.

*Home Health Aide Sample*

We examined 1,051 home health aide services and identified 416 services (40 percent) that were submitted for reimbursement prior to the date the physician signed the plan of care. We also found nine services in which the physician's signature on the plan of care was not dated.

These 425 instances of non-compliance were used in the overall projection amount of \$1,642,976.

In addition, there were 12 instances where the physician's signature on the plan of care was not dated; however, there was a fax date on the form when it was received from the physician's office. An overpayment was not identified for these 12 services.

**Recommendation:**

The Provider should establish a system to ensure the signed plans of care are obtained prior to submitting claim for services to the ODM. The Provider should also review the plans of care to ensure they are signed and dated accordingly. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

**C. 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. According to Ohio Admin. Code § 5160-45-10(A), providers of waiver services must maintain and retain all required documentation including, but not limited to, documentation of tasks performed or not performed, arrival and departure times and the dated signatures of the provider and the recipient or authorized representative verifying the service delivery upon completion of service delivery.

### **C. Service Documentation (Continued)**

During part of the examination period, providers of home health nursing and aide services received a base rate for any portion of the first 60 minutes of home health services delivered. After July 1, 2015, providers were required to render 35 to 60 minutes of services to receive the base rate. Ohio Admin. Code § 5160-12-05 (A)(1)(a-b)

#### *Home Health Nursing Sample*

We examined 503 home health nursing services identified the following errors for service documentation:

- 3 instances in which there was no service documentation to support the service rendered;
- 2 services that the time in and time out was not documented;
- 2 services in which the provider billed more units than the service documentation supported; and
- 2 services in which the Provider billed using the TD modifier indicating that the service was rendered by an RN when the services were actually rendered by an LPN which resulted in a higher reimbursement.

These nine instances of non-compliance were used in the overall projection amount of \$104,244.

There were additional services where the Provider billed more units than the service documentation supported, but payment amount for the base rate was correct at the time of service delivery so these errors did not result in an overpayment.

#### *Home Health Aide Sample*

We found no instances of non-compliance with service documentation.

#### *Personal Care Aide Sample*

We examined 519 personal care aide services and identified 60 services in which the recipient signature and staff signature appear to be affixed by the same person. We identified the full reimbursement for personal care aide services as an improper payment (see section A - Provider Qualifications).

#### **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.

#### **Official Response**

The Provider was afforded an opportunity to respond to this examination report. The Provider declined an exit conference to discuss the examination results and also declined to submit an official response to the results noted above.

**APPENDIX I**

**Summary of Home Health Nursing (G0154) Sample Record Analysis**

**POPULATION**

The population is all paid Medicaid services, less certain excluded services, net of any adjustments where the service was performed and payment was made by the ODM during the examination period.

**SAMPLING FRAME**

The sampling frame for this sample is paid and processed claims from the Medicaid Information Technology System (MITS). This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio. Thus, for a given time period and specified services, this sampling frame and the population of paid claims should be identical.

**SAMPLE UNIT**

The sampling units or elements of analysis that will be used are paid Medicaid claims by service line. A service line is defined as one specific claim line on a claim.

**SAMPLE DESIGN**

We used a simple random sample.

<b>Description</b>	<b>Results</b>
Number of Population Services	5,103
Number of Population Services Sampled	503
Number of Services Sampled with Errors	208
Total Medicaid Amount Paid for Population	\$253,353.21
Amount Paid for Population Services Sampled	\$25,043.21
Projected Population Overpayment Amount	\$104,244
Upper Limit Overpayment Estimate at 95% Confidence Level	\$114,643
Lower Limit Overpayment Estimate at 95% Confidence Level	\$93,845
Precision of population overpayment projection at the 95% Confidence Level	\$10,399 (+/- 9.98%)

Source: Analysis of MITS information and the Provider's records

**APPENDIX II**

**Summary of Home Health Aide (G0156) Sample Record Analysis**

**POPULATION**

The population is all paid Medicaid services, less certain excluded services, net of any adjustments where the service was performed and payment was made by the ODM during the examination period.

**SAMPLING FRAME**

The sampling frame for this sample is paid and processed claims from the MITS. This system contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio. Thus, for a given time period and specified services, this sampling frame and the population of paid claims should be identical.

**SAMPLE UNIT**

The primary sampling unit was an RDOS.

**SAMPLE DESIGN**

We used a simple random sample.

<b>Description</b>	<b>Results</b>
Number of Population Recipient Dates of Service (RDOS)	93,502
Number of Population RDOS Sampled	578
Number of Population Services Provided	170,708
Number of Population Services Sampled	1,051
Number of Services Sampled with Errors	425
Total Medicaid Amount Paid for Population	\$4,069,707.10
Amount Paid for Population Services Sampled	\$25,198.16
Projected Population Overpayment Amount	\$1,642,976
Upper Limit Overpayment Estimate at 95% Confidence Level	\$1,811,272
Lower Limit Overpayment Estimate at 95% Confidence Level	\$1,474,679
Precision of population overpayment projection at the 95% Confidence Level	\$168,297 (10.24%)

Source: Analysis of MITS information and the Provider's records

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**AMERICA'S HOME HEALTH SERVICES**

**FRANKLIN 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  
APRIL 24, 2018**