



OHIO AUDITOR OF STATE  
**KEITH FABER**



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**FRANKLOVE HOME HEALTH SERVICES, LLC  
FRANKLIN COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT HOME HEALTH AND WAIVER SERVICES**

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

RE: Franklove Home Health Services, LLC  
*Ohio Medicaid Number: 0176764*

We examined Franklove Home Health Services, LLC (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of home health nursing services and service documentation and provider qualifications related to the provision of personal care aide services during the period of July 1, 2017 through June 30, 2018.

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 Franklove 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 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, nursing and personal care aide services examined did not meet one or more of the Medicaid requirements tested for service documentation or personnel qualifications.

**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 pertaining to provider qualifications, service authorization and service documentation for the period of July 1, 2017 through June 30, 2018.

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 \$3,025.03. This finding plus interest in the amount of \$176.53 (calculated as of November 20, 2019) totaling \$3,201.56 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 or 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 of the Administrative Code.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

November 20, 2019

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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

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 person or agency that has entered into Medicaid Provider Agreement for the purpose of furnishing these services.

The Provider is a MCRHHA and received payment of \$422,598 for 6,945 home health and waiver services.

### **Purpose, Scope, and Methodology**

The purpose of this examination was to determine whether Franklove Home Health Services, LLC's claims for payment 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 home health nursing services and personal care aide services for which the Provider billed with dates of services from July 1, 2017 through June 30, 2018 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. From the total paid services population, we extracted all home health nursing services billed during a potential inpatient hospital stay (Inpatient Stay Exception Test).

From the remaining population, we extracted all home health nursing services (private duty nursing - T1000, RN nursing - G0299, and LPN nursing - G0300) and personal care aide services (T1019) and summarized them by recipient date of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service.

We used a statistical sampling approach to examine services in order to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1). We developed a simple random sample for home health nursing services and personal care aide services. The exception test and calculated sample sizes are shown in **Table 1**.

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

<b>Table 1: Exception Tests and Sample Sizes</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Test:</b>			
Potential Services during Inpatient Stay (T1000)	4 services		4
<b>Samples:</b>			
Home Health Nursing (T1000, G0299, G0300)	2,532 RDOS	100 RDOS	191
Personal Care Aide (T1019)	667 RDOS	100 RDOS	192
<b>Total All Samples</b>	<b>3,203 RDOS</b>	<b>272 RDOS</b>	<b>387</b>

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 billing process. During fieldwork, we reviewed service documentation and personnel records. We sent preliminary results to the Provider and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

**Results**

The summary results of the compliance examination are shown in **Table 2**. While certain services had more than one error, only one finding was made per service. The noncompliance and basis for the findings is discussed below in more detail.

<b>Table 2: Results</b>				
<b>Exception Test</b>	<b>Services Examined</b>	<b>Non-compliant Services</b>	<b>Non-compliance Errors</b>	<b>Improper Payment</b>
Potential Services during Inpatient Stay (T1000)	4	4	4	\$1,931.40
<b>Samples</b>				
Home Health Nursing (T1000, G0299, G0300)	191	11	12	\$355.55
Personal Care Aide (T1019)	192	12	12	\$738.08
<b>Totals:</b>	<b>387</b>	<b>27</b>	<b>28</b>	<b>\$3,025.03</b>

**A. Provider Qualifications**

Per Ohio Admin. Code § 5160-1-17.2, in signing the Medicaid provider agreement, the Provider agrees that the individual practitioner or employee of the company is not currently subject to sanction under Medicare, Medicaid, or Title XX; or, is otherwise prohibited from providing services to Medicaid beneficiaries.



**A. Provider Qualifications (Continued)**

We identified seven nurses and 10 aides in the service documentation for the selected services and compared their names to the Office of Inspector General exclusion database and the ODM's exclusion or suspension list. We found no matches on an exclusion or suspension list. We also compared identified administrative staff names to the exclusion or suspension list and found no matches.

According to Ohio Admin. Code § 5160-12-01(G), home health nursing requires the skills of and is performed by either an RN or a LPN at the direction of an RN. Based on information from the Ohio e-License Center website, the licenses for the seven nurses were current and valid on the first date of service in the sample and were active during the remainder of the examination period.

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)

One of the 10 personal care aides rendered services prior to obtaining first aid certification.

*Personal Care Aide Services Sample*

The 192 services examined contained four services rendered by an aide who did not meet the first aid certification requirements. These four errors are included in the improper payment of \$738.08.

**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. Service Documentation**

The MCRHHA must maintain documentation of home health services that includes, but is not limited to, clinical and time keeping records that indicate the date and time span of the service and the type of service provided. See Ohio Admin. Code § 5160-12-03(B)(9)

For personal care aide services, the provider 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. See Ohio Admin. Code § 5160-46-04(B)(8)

For errors where the number of units billed exceeded the documented duration, the improper payment was based on the unsupported units. For errors where there was no documented service duration, the improper payment is the difference between the amount paid and the reimbursement for the base rate.

*Inpatient Stay Exception Test*

The Provider lacked service documentation to support the four services billed to one individual. These errors are included in the improper payment of \$1,931.40.

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

### *Nursing Services Sample*

The 191 services examined contained the following errors:

- 9 services in which an LPN rendered the care and the Provider billed as an RN service resulting in a higher payment;
- 2 services in which the units billed exceeded the documented duration;
- 1 service in which the duration was not documented.

These 12 errors are included in the improper payments of \$355.55.

### *Personal Care Aide Services Sample*

The 192 services examined contained the following errors:

- 4 services in which the documentation did not include the signature of the recipient or authorized representative;
- 2 services in which the units billed exceeded the documented duration;
- 1 services in which the documentation did not include a description of the tasks performed; and
- 1 service in which there was no documentation to support the payment.

These eight errors are included in the improper payment of \$738.08.

### **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 and that the correct procedure code is billed. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

## **C. Authorization to Provide Services**

All home health providers are required by Ohio Admin. Code § 5160-12-03 to create a plan of care indicating the type of services to be provided to the recipient and the plan is required to be signed by the recipient's treating physician.

All of the 191 nursing services examined were authorized by a signed plan of care.

### **Official Response**

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

# OHIO AUDITOR OF STATE KEITH FABER



**FRANKLOVE 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  
DECEMBER 19, 2019**