



OHIO AUDITOR OF STATE
KEITH FABER



**SPECTRUM HOME HEALTH CARE, LLC
CUYAHOGA COUNTY**

TABLE OF CONTENTS

Title	Page
Independent Auditor's Report	1
Compliance Report	3
Recommendation: Provider Qualifications	5
Recommendation: Service Documentation.....	6
Recommendation: Regulatory Requirements.....	7
Appendix I: Summary of Personal Care Aide Services Sample	8
Appendix II: Official Response	9

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit
88 East Broad Street
Columbus, Ohio 43215
(614) 466-3340
ContactMCA@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT HOME HEALTH AND WAIVER AIDE SERVICES

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

RE: Spectrum Home Health Care, LLC
Ohio Medicaid Number: 3052600 NPI: 1376745430

We were engaged to examine Spectrum Home Health Care, LLC (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of home health aide services and service documentation and provider qualifications related to the provision of personal care aide services during the period of July 1, 2018 through June 30, 2019. Our responsibility is to express an opinion on the Provider's compliance with the specified Medicaid requirements based on conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants.

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 Spectrum Home Health Care, LLC is responsible for its compliance with the specified requirements. The accompanying Compliance Report identifies the specific requirements included in this engagement.

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 Disclaimer of Opinion

We became aware of activities being performed by another oversight agency and the results of those activities could have a material impact on the subject matter of this compliance examination. In addition, as described in the attached Compliance Report, we determined that 19 of the first aid certificates submitted by the Provider were not valid. We found no adequate explanation for the discrepancies.

As such, we were unable to gain sufficient reliance on the documentation to determine the Provider's compliance with the specified Medicaid requirements. Nor were we able to satisfy ourselves as to the Provider's compliance with these requirements by other examination procedures.

Disclaimer of Opinion

Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Provider's compliance with the specified Medicaid requirements for the period of July 1, 2018 through June 30, 2019.

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 \$138,044.07. This finding plus interest in the amount of \$7,633.08 (calculated as of April 20, 2021) totaling \$145,677.15 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 fraud, waste and abuse¹ 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, 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.



Keith Faber
Auditor of State
Columbus, Ohio

April 20, 2021

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 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 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. See 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 (MCHHA) 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 a Medicaid Provider Agreement for the purposes of furnishing these services.

The Provider is a MCHHA and received payment of \$363,844 under the provider number examined for 5,595 home health and waiver services². The Provider has a registered trade name with the Ohio Secretary of State of Charak Home Health Care, LLC which is identified on the Provider Agreement; however, this trade name is associated with the former owner and was not used during the examination period.

The owner of Spectrum Home Health Care, LLC also owns Primecare Home Health LLC (Medicaid provider number 0267201) which is an active provider number, but received no Medicaid payments during our examination period.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider'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 aide and personal care aide services as specified below for which the Provider billed the dates of service from July 1, 2018 through June 30, 2019 and received payment.

We obtained the Provider's fee-for-service claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We also obtained paid claims data from three Medicaid managed care organizations (MCOs). The MCOs' claims data showed that the services were paid to the Provider's tax identification number.

From the combined fee-for-service and managed care population, we removed denied and adjusted claims, as well as, services paid at zero. We then extracted all home health aide (procedure code G0156) and personal care aide (T1019) services into separate files.

² Totals reported include fee-for-service payments of \$274,774.03 and managed care payments of \$89,070.23 from the following Medicaid managed care organizations: Buckeye Health Plan, CareSource and United HealthCare.

Purpose, Scope, and Methodology (Continued)

We summarized each file by recipient date of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. We selected a simple random sample from each of these files.

We used a statistical sampling approach as permitted by Ohio Admin. Code § 5160-1-27(B)(1). The calculated sample sizes are shown in **Table 1**.

Table 1: Sample Sizes			
Universe	Population Size	Sample Size	Selected Services
Personal Care Aide Services (T1019)	2,737 RDOS	98 RDOS	105
Home Health Aide Services (G0156)	1,677 RDOS	95 RDOS	98
Total	4,414 RDOS	193 RDOS	203

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 then 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 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 finding is discussed below in further detail.

Table 2: Results				
Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Personal Care Aide Services	105	69	71	\$137,942.00 ¹
Home Health Aide Services	98	4	4	\$102.07
Total	203	73	75	\$138,044.07

¹ The overpayments identified for 67 of the 98 statistically sampled RDOS (69 of the 105 services) from a simple random sample were projected across the Provider's population of paid personal care aide (T1019) services claims resulting in an a projected overpayment of \$157,376 with a precision of plus or minus \$23,226 at the 95 percent confidence level. 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), and a finding was made for \$137,942. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$137,942. A detailed summary of our statistical sample and projection result is presented in **Appendix I**.

A. Provider Qualifications

Exclusion or Suspension List

Per Ohio Admin. Code § 5160-1-17.2(H), 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.

We identified 51 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 the exclusion or suspension list. We also compared the owners name to the exclusion or suspension list and found no match.

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 that 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

There were 36 aides that rendered personal care aide services and were required to have first aid certifications. The Provider submitted 34 certificates for these aides as two of the aides did not have first aide certificates. Of the 34 certificates, we found that six were for on-line training only. We attempted to verify the remaining 28 first aid certificates with the issuing organization and found 19 of the 28 (68 percent) certificates were not valid. Through contact with the American Red Cross and American Heart Association, we determined the numbers on the certificates were not valid and/or the name on the certificate did not match the records of the issuing organization.

In all, nine of the 36 (25 percent) aides tested had valid first aid certification on the dates services tested. The Provider indicated that it is the personal care aide's responsibility to obtain and renew their first aid certification and provide a copy for their employment record. The Provider stated it was not aware of the invalid first aid certificates.

Personal Care Aide Services Sample

The 105 services selected contained 69 instances (66 percent) rendered by aides who did not meet the first aid certification requirements. These errors are included in the projected improper payment of \$137,942.

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 issue to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation

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

B. Service Documentation (Continued)

For personal care aide services, the provider must maintain 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

For errors where the number of units billed exceeded the documented duration, the improper payment was based on the unsupported units.

Personal Care Aide Services Sample

The 105 services selected contained two instances in which the documentation was not signed by the rendering aide. These errors are included in the projected improper payment amount of \$137,942.

Home Health Aide Services Sample

The 98 services selected contained the following errors:

- 2 instances in which there was no service documentation to support the payment;
- 1 instance in which the units billed exceeded the documented duration; and
- 1 instance in which a single shift was billed as two separate shifts.

These four errors resulted in an improper payment of \$102.07.

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

All home health providers are required by Ohio Admin. Code § 5160-12-03(B)(3)(b) to create a plan of care for recipients 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.

Home Health Aide Services Sample

All 98 services selected were supported by a signed plan of care.

We did not test service authorization for personal care aide services.

D. Regulatory Requirements

Ohio Admin. Code § 5160-1-17.2(F) states that the provider agrees to inform the ODM within 30 days of any changes in ownership.

In the Medicaid provider agreement, the agency is limited liability company with one owner, Rakesh Ranjan. Upon initiating this engagement, we were informed that the company had new owner. According to the ODM, Mohamed Abdillahi did not inform them of the change in ownership of Spectrum Home Health Care, LLC.

D. Regulatory Requirements (Continued)

Instructions for Form SS-4 (Application for Employer Identification Number (EIN)), published by the Department of the Treasury's Internal Revenue Service, indicates that when an existing business is purchased the former owner's EIN should not be used³. The new owner should complete the application for a new number.

After purchasing Spectrum Home Health Care, LLC, the new owner continued to bill the Medicaid program using the same provider number and EIN.

Recommendation

The Provider should review the Medicaid Provider Agreement and implement internal procedures to ensure that it complies with all of the requirements noted in the Medicaid Provider Agreement. In addition, the Provider should seek outside consultation to ensure its business practices meet all applicable regulatory requirements.

Official Response

The Provider submitted an official response to the results of this examination which is presented in **Appendix II**. We did not examine the Provider's response and, accordingly, we express no opinion on it.

³ Exception exists for purchasing going business if a corporation's ownership changes through stock purchase. This was not applicable in the purchase of Spectrum Home Health Care, a limited liability company.

APPENDIX I

Summary of Personal Care Aide Services Sample

POPULATION

The population is all personal care aide services, net of any adjustments, where the service was billed with date of service during the period of July 1, 2018 through June 30, 2019 and payment was made by ODM or an MCO.

SAMPLING FRAME

The sampling frame for this sample is paid and processed claims from the Medicaid Information Technology System (MITS) and from each MCO's claims system. These systems contains all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio or MCO.

SAMPLE UNIT

The primary sampling unit was an RDOS.

SAMPLE DESIGN

We used a simple random sample.

Description	Results
Number of Recipient Dates of Service (RDOS) in Population	2,737
Number of RDOS Sampled	98
Number of RDOS Sampled with Errors	67
Number of Services in Population	2,957
Number of Services Sampled	105
Number of Services Sampled with Errors	69
Total Medicaid Amount Paid for Population	\$242,683
Amount Paid for Services Sampled	\$9,040
Estimated Overpayment (Point Estimate)	\$157,376
Precision of Overpayment Estimate at 95% Confidence Level	\$23,226 (14.76%)
Precision of Overpayment Estimate at 90% Confidence Level	\$19,434 (12.35%)
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)	\$137,942

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

Appendix II
Spectrum Home Health Care LLC
2800 Euclid Ave Suite 509
Cleveland, OH 44115
Tel:216-206-4916 Fax: 216-206-4935

Date: 04/26/2021

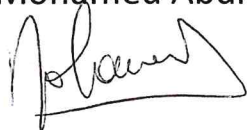
Re: Response to the Examination Report

The purpose of this letter is to confirm we have taken following steps to get full compliance with ODM rules.

- 1- To remediate the CPR/First Aid compliance issue identified by the audit team. We train all new hires through accredited provider without exception even if the candidate has already CPR/First Aid.
- 2- We have notified ODM regarding the ownership change on 04/20/2021. We submitted to ODM the CMS Ownership change approval letter.
- 3- We notified our accountant to work on applying the new EIN then help us transition to the new EIN.

Please let me know if you have any question.

Best Regards,
Mohamed Abdillahi



OHIO AUDITOR OF STATE KEITH FABER



SPECTRUM HOME HEALTH CARE, LLC

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/11/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov