



OHIO AUDITOR OF STATE  
**KEITH FABER**





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

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

RE: Diamond Home Health Care, Inc.  
Ohio Medicaid Number: 3067738 NPI: 1578721320

We examined compliance with specified Medicaid requirements for service authorization, service documentation and provider qualifications related to the provision of home health aide services and home health licensed practical nursing (LPN) services during the period of July 1, 2018 through June 30, 2020 for Diamond Home Health Care, Inc. (Diamond).

In addition, we tested services billed during a potential inpatient hospital stay. We also examined all waiver aide services reimbursed on behalf of the same recipient and date of service as the sampled home health aide services and all registered nursing (RN) services on behalf of the same recipient and date of service as the sampled LPN services. Finally, we compared electronic visit verification (EVV) data to all paid services to test compliance with Ohio Admin. Code § 5160-1-40.

Diamond entered into an agreement with the Ohio Department of Medicaid (the Department) to provide services to Medicaid recipients and to adhere to the terms of the provider agreement, Ohio Revised Code, Ohio Administrative Code, and federal statutes and rules, including the duty to maintain all records necessary and in such form so as to fully disclose the extent of services provided and significant business transactions. Management of Diamond is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements examined. Our responsibility is to express an opinion on Diamond'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 (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Diamond complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Diamond and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our compliance examination.

An examination involves performing procedures to obtain evidence about whether Diamond 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 Diamond's compliance with the specified requirements.

***Internal Control over Compliance***

Diamond 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 Diamond's internal control over compliance.

***Basis for Qualified Opinion***

Our examination disclosed that, in a material number of instances, Diamond billed one aide visit as multiple visits which resulted in an over payment and lacked documentation to support payments for nursing services. In addition, Diamond is materially not compliant with the requirement in Ohio Admin. Code § 5160-1-40 to submit EVV data for its home health visits.

***Qualified Opinion on Compliance***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, Diamond has complied, in all material respects, with the select requirements of home health LPN and home health aide services for the period of July 1, 2018 through June 30, 2020.

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

We identified improper Medicaid payments in the amount of \$1,988.97. This finding plus interest in the amount of \$142.88 (calculated as of June 29, 2022) totaling \$2,131.85 is due and payable to the Department upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the Department, which are not validated in the records, are subject to recoupment through the audit process. See Ohio Admin. Code § 5160-1-27.

This report is intended solely for the information and use of Diamond, the Department 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

June 29, 2022

## COMPLIANCE SECTION

### 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 for the program are specified in the Ohio Administrative Code and the Ohio Revised Code. 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).

Diamond is a Medicare certified home health agency (MCHHA) and received payment of approximately \$2.7 million under the provider number examined for 62,039 home health and waiver services<sup>1</sup>. Diamond has one location in Columbus, Ohio.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Diamond'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 LPN services and home health aide services as specified below, for which Diamond billed with dates of service from July 1, 2018 through June 30, 2020 and received payment.

We obtained Diamond'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 one Medicaid managed care organizations (MCOs) and verified that all services were paid to Diamond's tax identification number. From the combined fee-for-service and MCO claims data, we removed adjustments and all services paid at zero.

From the total paid services population, we extracted six personal care aide (procedure code T1019) services and one RN nursing (G0299) service billed during a hospital inpatient stay to examine (Services During Inpatient Stay Exception Test).

We then extracted all home health LPN services (G0300) to examine in their entirety (census). We also identified and extracted all RN services (G0299) billed on the same date as the LPN services.

From the remaining population, we extracted all home health aide (G0156) services and summarized by recipient date of service (RDOS). A RDOS is defined as all services for a given recipient on a specific date of service. We selected a statistical random sample of 91 RDOS from the population and obtained the detailed services on these RDOS. For the sample, we also identified and extracted all additional aide services billed on the same RDOS as the sampled service to examine. We used a statistical sampling approach in order to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

The exception test, census and calculated sample size are shown in **Table 1**.

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<sup>1</sup> Payments consists of fee-or-service data from the Medicaid Information Technology System and claims data from one Medicaid managed care organization.

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

<b>Table 1: Exception Test, Census and Sample</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Test</b>			
Services During Inpatient Stay (T1019, G0299)			7
<b>Census</b>			
LPN Services (G0300)			25
RN Services (G0299) on Same Date			25
Total LPN and RN Services			50
<b>Sample</b>			
Home Health Aide Services (G0156)	16,810 RDOS	91 RDOS	151
Other Aide Services <sup>1</sup>			96
Total for Home Health and Other Aide Services			247
<b>Total</b>			<b>304</b>

<sup>1</sup> Other Aide Services are homemaker/personal care services (MR940 and MR970), personal care (PT624), homemaker (PT570) and personal care aide service (T1019)

A notification letter was sent to Diamond setting forth the purpose and scope of the examination. During the entrance conference, Diamond described its documentation practices and billing process. During fieldwork, we reviewed service documentation and verified professional licensure and personnel qualifications.

We sent preliminary results to Diamond 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 non-compliance and basis for findings is discussed below in further detail.

<b>Table 2: Results</b>				
<b>Universe</b>	<b>Services Examined</b>	<b>Non-compliant Services</b>	<b>Non-compliance Errors</b>	<b>Improper Payment</b>
<b>Exception Test</b>				
Services During Inpatient Stay	7	7	7	\$520.20
<b>Census</b>				
LPN Services	25	3	3	\$113.70
RN Services on Same Date	25	22	22	\$998.80
Total LPN and RN Services	50	25	25	\$1,112.50
<b>Sample</b>				
Home Health Aide Services	151	20	20	\$215.87
Other Aide Services	96	18	23	\$140.40
Total Home Health and Other Aide	247	38	43	\$356.27
<b>Total</b>	<b>304</b>	<b>70</b>	<b>75</b>	<b>\$1,988.97</b>

**A. Provider Qualifications**

*Exclusion or Suspension List*

Per Ohio Admin. Code § 5160-1-17.2(H), in signing the Medicaid provider agreement, a 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 two nurses and 37 aides in the service documentation for the selected services and compared their names to the Office of Inspector General exclusion database and the Department's exclusion/suspension list. We also compared identified owner and administrator names to the same database and exclusion/suspension list. We found no matches during our examination period.

We noted one aide was excluded by the Department as of August 20, 2021, after the examination period. Diamond indicated that the aide was terminated in October 2019 due to poor performance.

*Nursing Services*

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

**B. Service Documentation**

The MCHHA 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).

We obtained service documentation from Diamond and compared it to the required elements. We also compared units billed to documented duration and compared services by recipient and the rendering practitioner to identify any overlapping services. For errors due to billing one shift as two visits, the improper payment is based on the additional paid base rate.

*Services During Inpatient Stay Exception Test*

Diamond provided service documentation for six services that were associated with one recipient; however, the hospital verified that the recipient was an inpatient on the selected dates of service. For the second recipient, Diamond had no service documentation to support the payment. These seven errors resulted in the improper payment amount of \$520.20.

Diamond had no explanation for why there was service documentation and subsequent billing when the recipient was in the hospital.

*LPN Services and RN Services on Same Date*

The 50 nursing services examined consisted of 25 dates of service for one recipient in which both an LPN service and an RN service were billed. For each date of service, there was no documentation to support one of the payments. Of the 25 payments for LPN services, there was no documentation to support three of the payments. There was no documentation to support 22 of the 25 payments for RN services. These 25 errors resulted in the improper payment amount of \$1,112.50.

Diamond had no explanation for how the unsupported nursing service was billed.

**B. Service Documentation (Continued)**

*Home Health Aide Service Sample and Other Aide Services*

The 247 combined home health aide and other aide services examined contained 38 instances in which one continuous shift was rendered but was billed as multiple separate shifts resulting in an additional base rate and one instance in which there was no documentation to support the payment. These 39 errors are included in the improper payment of \$356.27.

There were also four instances in which the units billed exceeded the documented duration; however, the total number of units billed for the service date were supported. We did not associate an improper payment for these instances.

Diamond indicated that the findings were due to billing errors.

**Recommendation**

Diamond should develop and implement procedures to ensure that all service documentation and billing practices fully comply with requirements contained in Ohio Medicaid rules. In addition, Diamond should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement.

**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.

We obtained plans of care from Diamond and confirmed there was a plan of care that covered the date of service examined, authorized the type of service and was signed by a physician.

All of the nursing and home health aide services were supported by a signed plan of care. We did not test service authorization requirements for the inpatient exception test or other aide services.

**D. Electronic Visit Verification**

Per Ohio Admin. Code § 5160-1-40, Diamond was required to submit EVV data for its home health visits. We compared EVV data to all paid services<sup>2</sup> and found that approximately 18 percent of visits had the required EVV entry.

Diamond indicated that it does not currently utilize EVV and has not for more than a year.

**Recommendation**

We recommend that Diamond ensure that staff is consistently utilizing EVV as required to ensure compliance with the Medicaid rules and avoid future findings.

**Official Response**

Diamond declined to submit an official response to the results noted above.

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<sup>2</sup> Payments data from the Medicaid Information Technology System.



# OHIO AUDITOR OF STATE KEITH FABER



**DIAMOND HOME HEALTH CARE, INC.**

**FRANKLIN 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 8/2/2022**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)