



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: Priority Home Health Care, Inc. dba Addus Home Care
Ohio Medicaid Number: 2395626 NPI: 1578512018

We examined compliance with specified Medicaid requirements for provider qualifications and service documentation related to the provision of personal care aide services during the period of July 1, 2019 through June 30, 2021 for Priority Home Health Care, Inc. dba Addus Home Care.

In addition, we examined select payments for the following:

- 20 recipient dates of service¹ (RDOS) for two recipients during the period in which their services were recorded in the Electronic Visit Verification (EVV) system and 20 RDOS for the same two recipients after services ceased to be recorded in the EVV system; and
- Five RDOS for each of the 13 recipients with the highest number of services.

Addus Home Care 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. Addus Home Care is responsible for its compliance with the specified requirements. Our responsibility is to express an opinion on Addus Home Care'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 Addus Home Care complied, in all material respects, with the specified requirements detailed in the Compliance Section. We are required to be independent of Addus Home Care 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 Addus Home Care 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 Addus Home Care's compliance with the specified requirements.

¹ RDOS is defined as all services for a given recipient on a specific date of service.

Internal Control over Compliance

Addus Home Care is responsible for establishing and maintaining effective internal controls 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 Addus Home Care's internal controls over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, Addus Home Care's documentation did not include tasks performed and Addus Home Care did not ensure that, before delivering personal care aide services, its staff obtained and maintained 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, Addus Home Care complied, in all material respects, with the aforementioned requirements of personal care aide services for the period of July 1, 2019 through June 30, 2021.

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 Addus Home Care's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$7,340.81. This finding plus interest in the amount of \$1,077.99 (calculated as of June 13, 2023) totaling \$8,418.80 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 Addus Home Care, 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 13, 2023

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).

Addus Home Care is a Medicare certified home health agency (MCHHA) and received payment of \$3.2 million under the provider number examined for 48,913 fee-for-service claims. Addus Home Care also received \$4 million for 57,495 managed care claims² which were not included in the scope of the examination.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Addus Home Care'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 fee-for-service home health services as specified below for which Addus Home Care billed with dates of service from July 1, 2019 through June 30, 2021 and received payment.

We obtained Addus Home Care's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed services paid at zero, services with a patient liability and managed care encounters.

From the total paid services population, we identified and selected the following services in the order listed:

- 20 RDOS for two recipients during the period in which their services were recorded in the EVV system and 20 RDOS for the same two recipients after their services ceased to be recorded in the EVV system (included personal care aide services, procedure code T1019) (Services During and After EVV Usage Exception Test);
- Five RDOS for each of the 13 recipients with the highest number of services (home health aide (G0156), personal care service (PT624), homemaker service (PT570), personal care aide services (T1019), homemaker/personal care service (MR970 and MR940) and shared living agency (DD236)) (Recipient Outliers Exception Test); and
- A random sample of personal care aide services (T1019) by RDOS and any other services on the same day (other services were G1056) (Personal Care Aide Services Sample).

The exception tests and calculated sample size are shown in **Table 1**.

² Payment data from the Medicaid Information Technology System.

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Table 1: Exception Tests and Sample			
Universe	Population Size	Sample Size	Selected Services
Exception Tests			
Services During and After EVV Usage			98
Recipient Outliers			128
Sample			
Personal Care Aide Services	8,937 RDOS	83 RDOS	95
Additional Services			<u>3</u>
Total Personal Care Aide and Additional Services			98
Total			324

A notification letter was sent to Addus Home Care setting forth the purpose and scope of the examination. During the entrance conference, Addus Home Care described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used and reviewed service documentation and first aid certifications.

We sent preliminary results to Addus Home Care 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.

Table 2: Results				
Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Tests				
Services During and After EVV Usage	98	7	7	\$243.56
Recipient Outliers	128	21	21	\$843.89
Samples				
Personal Care Aide Services	95	70	82	\$6,253.36
Additional Services	<u>3</u>	<u>0</u>	<u>0</u>	<u>\$0</u>
Total Personal Care Aide and Additional Services	98	70	82	\$6,253.36
Total	324	98	110	\$7,340.81

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 60 practitioners 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 the identified administrative staff names to the same database and exclusion/suspension list. We found no matches.

A. Provider Qualifications (Continued)

Personal Care Aides

MCHHA's must ensure that personal care aides, prior to commencing service delivery, must obtain and maintain first aid certification. See Ohio Admin. Code § 5160-46-04.

Of the 40 personal care aides who rendered services in our sample, 21 aides (53 percent) lacked first aid certification, two aides rendered services prior to obtaining first aid and one aide rendered services during a gap in her first aid certification.

Personal Care Aide Services Sample

The 95 services examined contained 66 instances in which a service was rendered by an aide who did not have the required first aid certification on the date of service. These 66 errors are included in the improper payment amount of \$6,253.36.

Recommendation

Addus Home Care should ensure all personnel meet applicable requirements prior to rendering direct care service. Addus Home Care should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation

All Medicaid providers are required to submit claims only for services actually performed and meet requirements that include, but are not limited to, disclosing the type, extent and duration of services provided to Medicaid recipients. See Ohio Admin. Code §§ 5160-1-17.2(A) and 5160-1-27(A)³. We applied these requirements to all services examined.

We obtained service documentation from Addus Home Care and compared it to the required elements. We also compared units billed to documented duration. For errors where the number of units billed exceeded the documented duration, the improper payment was based on the unsupported units.

Services During and After EVV Usage

The 98 services examined contained the following errors:

- 3 instances in which the units billed exceeded the documented duration;
- 3 instances in which the documented time of service overlapped with the documented time of a similar aide service; and
- 1 instance in which the supporting documentation did not contain a description of services (task performed or activity) rendered.

These seven errors resulted in an improper payment amount of \$243.56.

³ Providers of personal care aide services in the Ohio Home Care Waiver are required to document the tasks performed, arrival and departure times, and the dated signatures of the provider and individual or the individual's authorized representative, verifying the service delivery upon completion of service delivery. See Ohio Admin. Code § 5160-46-04(A)(9).

B. Service Documentation (Continued)

Recipient Outliers

The 128 services examined contained 18 instances in which the supporting documentation did not contain a description of the service rendered (task performed or activity) and three instances in which the units billed exceeded the documented duration.

These 21 errors resulted in an improper payment amount of \$843.89.

Personal Care Aide Services Sample

The 98 services examined contained 14 instances in which the supporting documentation did not contain a description of the task performed and two instances in which there was no supporting documentation to support the payment.

These 16 errors are included in the improper payment amount of \$6,253.36.

We noted that in two of the three additional selected payments Addus Home Care provided one continuous visit but billed as two visits using different procedure codes. Specifically, Addus Home Care billed part of one continuous visit as personal care aide service and the remaining part as a home health aide service. By billing in this manner, Addus Home Care received two base rates for one visit. We did not identify any improper payment for this billing practice; however, it does result in additional costs to the Medicaid program.

Recommendation

Addus Home Care should implement a quality review process to ensure that documentation is present, complete and accurate prior to submitting claims for reimbursement. Addus Home Care should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

The Department should review Addus Home Care's billing one continuous visit as two separate services and provide technical assistance to ensure that future billings are consistent with all applicable requirements.

C. Authorization to Provide Services

All home health providers are required in part by Ohio Admin. Code § 5160-12-03(B)(3)(b)⁴ 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 Addus Home Care 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.

Additional Home Health Aide Services

We identified three home health aide services with the same date of service as one of the sampled personal care aide services. The three services examined were supported by a plan of care.

We did not examine authorization to provide services in the exception tests or the personal care aide services in the sample.

⁴ This rule refers to the Medicare Benefit Policy Manual which requires that the plan of care be signed by the recipient's treating physician.

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Official Response

Addus stated that it takes these findings seriously and is committed to its ongoing efforts to detect and prevent fraud, waste, and abuse and ensuring that it provides qualified employees.

OHIO AUDITOR OF STATE KEITH FABER



PRIORITY HOME HEALTH CARE, INC. DBA ADDUS HOME CARE

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 7/25/2023

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This report is a matter of public record and is available online at
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