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**HEMOCARE WITH HEART, LLC
MAHONING COUNTY**

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Independent Auditor's Report On Medicaid Provider Compliance

Stephen Jones
Operations Director
Homecare with Heart, LLC
821 Kentwood Drive, Suite D
Youngstown, Ohio 44512-5061

RE: Medicaid Provider Number 2500743

Dear Mr. Jones:

We examined Homecare with Heart, LLC (the Provider's) compliance with specified Medicaid requirements for service documentation, service authorization, and provider qualifications related to the provision of private duty nursing, waiver nursing, personal care aide, and emergency response services during the period of January 1, 2009 through June 30, 2011. We reviewed the Provider's records to determine if it had support for services billed to and paid by Ohio Medicaid, and compared the elements contained in the documentation to the Medicaid rules. In addition, we determined if the services met the requirements for medical necessity, specifically if the services were authorized in plans of care and all services plans. We also reviewed personnel records and nursing licensure data to verify that the Provider's staff met certification requirements. The *Results* section in the accompanying Compliance Examination Report identifies the specific requirements examined for compliance.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Medicaid Agency to provide services to Medicaid recipients (the Provider Agreement). The Provider Agreement outlines the responsibility to adhere to the terms of the agreement, State statutes and rules, Federal statutes and rules, and the regulations and policies set forth in the Medicaid Handbook including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Therefore, the Provider is responsible for complying with the requirements and laws outlined by the Medicaid program.

Auditor's Responsibility

Our responsibility is to express an opinion and report on the Provider's compliance with the specified Medicaid requirements based on our examination. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code and conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Provider's compliance with those Medicaid requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on the Provider's compliance with the specified Medicaid requirements.

Internal Control Over Compliance

The Provider is responsible for establishing and maintaining effective internal control over compliance with the specified Medicaid requirements referred to above. 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.

Opinion on Compliance

In our opinion, the Provider complied, in all material respects, with the aforementioned requirements pertaining to service documentation, service authorization and provider qualifications for the period of January 1, 2009 through June 30, 2011.

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.

Our examination of nursing and aide services identified five services in which the plan of care was not signed by the physician and one service in which the units billed exceeded the units documented. We also identified four services in which there were no documentation to support the paid service. Due to these errors, we found the Provider was overpaid by Ohio Medicaid between January 1, 2009 and June 30, 2011 in the amount of \$614.81. This finding plus interest in the amount of \$46.26, totaling \$661.07, is due and payable to the Ohio Department of Medicaid (ODM) upon ODM's adoption and adjudication of this examination report. After adjudication by ODM, additional interest may be assessed until the finding and interest is paid in full.

When the Auditor of State identifies fraud, waste or abuse by a provider in an examination,¹ any payment amount in excess of that legitimately due to the provider will be recouped by ODM, Fiscal Operations, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B). Therefore, a copy of this report will be forwarded to ODM because it is the state agency charged with administering Ohio's Medicaid program. ODM is responsible for making a final determination regarding recovery of our findings and any accrued interest. If you agree with the findings contained herein, you may expedite repayment by contacting ODM's Office of Legal Services at (614) 752-3631.

This report is intended solely for the information and use of the Ohio Department of Medicaid, the Medicaid Fraud Control Unit of the Ohio Attorney General's Office, the U.S. Department of Health and Human Services/Office of Inspector General, and other regulatory and oversight bodies and is not intended to be and should not be used by anyone other than these specified parties. In addition, copies are available to the public on the Auditor of State website at www.ohioauditor.gov.

Sincerely,



Dave Yost
Auditor of State

November 18, 2013

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 constitute 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 for Homecare with Heart, LLC

Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. Medicaid provides health coverage to families with low incomes, children, pregnant women, and people who are aged, blind, or who have disabilities. Hospitals, long-term care facilities, managed care organizations, individual practitioners, laboratories, medical equipment suppliers, and others (all called "providers") render medical, dental, laboratory, and other services to Medicaid recipients. 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 diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. See Ohio Admin. Code § 5160-1-01(A)

The Auditor of State performs examinations to assess provider compliance with reimbursement rules to ensure that services billed to Ohio Medicaid are properly documented and consistent with professional standards of care, and medical necessity. According to Ohio Admin. Code § 5160-1-17.2(D), 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 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(E)

The Provider, whose Ohio Medicaid Provider number is 2500743, is an Otherwise-Accredited Home Health Agency located in Mahoning County, Ohio, that furnishes private duty nursing, waiver nursing, personal care aide, and emergency response services to Ohio Medicaid recipients. The Provider received total reimbursement of \$8,948,722.69, which included \$5,479,964.18 for 24,984 private duty nursing services, \$760,980.85 for 8,504 waiver nursing services, \$2,616,086.56 for 41,645 waiver personal care services, and \$91,691.10 for 2,064 emergency response services rendered on 56,357 recipient dates of service (RDOS) during the examination period. A recipient date of service is defined as all services for a given recipient on a specific date of service.

The all services plan is the service coordination and payment authorization document and authorizes the type, frequency and duration of waver services to be provided. The all services plan also specifies which providers can render services and subsequently bill Ohio Medicaid for them. See Ohio Admin. Code § 5160-45-01(E) The plan of care is the medical treatment plan that is established and approved by the treating physician. Ohio Admin. Code § 5160-45-01(QQ) The plan of care specifies the type, frequency, scope and duration of nursing services being performed. Ohio Admin. Code §§ 5160-46-04(A) and 5160-50-04(A)

Ohio Medicaid recipients may be eligible to receive in-home private duty nursing services and waiver nursing services provided by a registered nurse, or a licensed practical nurse under the supervision of a registered nurse. Ohio Admin. Code § 5160-12-02(A) Qualifying private duty nursing services must be medically necessary and greater than four but not more than 12 hours in length, unless an authorized exception applies. Ohio Admin. Code § 5160-12-02(A) Waiver nursing services are activities performed within the scope of the nurse's practice per Chapter 4723 of the Ohio Revised Code. Waiver nursing services must be identified on the all services plan and the nurse must perform services pursuant to written orders from the treating physician. See Ohio Admin. Code §§ 5160-46-04(A) and 5160-50-04(A)

Ohio Medicaid recipients may also be eligible to receive personal care services and emergency response services in the recipient's home. Personal care aides assist the recipient with activities of daily living such as bathing, dressing, household chores and accompanying the recipient to medical

appointments. See Ohio Admin. Code §§ 5160-46-04(B)(1-3) and 5160-50-04(B)(1-3) Emergency response services are emergency intervention services composed of telecommunications equipment, an emergency response center and a medium for two-way, hands-free communication between the recipient and the emergency response center. Personnel at the emergency response center intervene in an emergency when the center receives an alarm signal. Emergency response equipment includes a variety of remote or other specialty activation devices from which the recipient can choose in accordance with the recipient's specific needs. See Ohio Admin. Code §§ 5160-46-04(H) and 5160-50-04(H)

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 audit period and may be different from those currently in effect.

The scope of the engagement was limited to an examination of private duty nursing, waiver nursing, personal care aide, and emergency response services for which the Provider rendered services to Medicaid recipients and received payment during the period of January 1, 2009 through June 30, 2011.

We received the Provider's paid claims history from ODM's Medicaid Management Information System database of services billed to and paid by Ohio's Medicaid program. We removed any services paid at zero. We also removed a total of 39 claims due to the presence of third-party payments. The final paid services contained 77,197 paid services for a total of \$8,948,722.69. From that population we selected a statistical random sample of 30 recipients. We then selected a stratified sample of RDOS for the 30 recipients selected. A total of 826 RDOS were selected for review. We obtained all the detail service lines associated with the selected RDOS. A total of 989 services were extracted as the sample to facilitate a timely and efficient examination of the Provider's paid services as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

We interviewed key personnel and reviewed timesheets, service documentation, plans of care and all services plans. We also randomly selected 40 employees that rendered personal care or nursing services during the review period and reviewed personnel files and verified professional licensure where appropriate.

An engagement letter was sent to the Provider on May 1, 2013, setting forth the purpose and scope of the examination. Our fieldwork was performed between May 22 and May 28, 2013.

Results

We identified 10 errors in our review of the Provider's nursing services and 14 errors in our review of emergency response services. We also identified non-compliance related to provider qualifications for aides.

We identified overpayments as a result of the 10 errors in service documentation and service authorization of nursing services. While certain services had more than one error, only one finding was made per service. The basis for our findings is discussed below in more detail. We did not project a finding beyond those found in our sample because we do not project findings from a sampling when less than 10 percent of the services examined in the sample have error and the amount of the errors found in the sample is less than \$1,000.

A. Service Documentation

Nursing and Personal Care Aide Services

Documentation to support paid nursing service rendered must include:

- The tasks performed or not performed;
- The arrival and departure times;
- The dated signatures of the provider and recipient or authorized representative;
- A copy of the initial and all subsequent all services plans; and
- A copy of the initial and all subsequent plans of care and all services plans.

See Ohio Admin. Code §§ 5101:3-12-03, 5101:3-46-04(A), and 5101:3-50-04(A)

Documentation to support the waiver personal care services rendered must include:

- The tasks performed or not performed;
- The arrival and departure times;
- The dated signatures of the personal care aide and the recipient or authorized representative upon completion of service delivery;
- Progress notes documenting communications, unusual events, and the general condition of the recipient; and
- A copy of the initial and all subsequent all service plans.

See Ohio Admin. Code §§ 5101:3-46-04(B)(8) and 5101:3-50-04(B)(8)

Our examination of 308 private duty nursing services and 74 waiver nursing services found four services with no documentation to support the date of service and one service where the hours documented on the timesheet did not support the units billed. The Provider billed for an additional fifteen minute unit that was not supported by the documentation provided. We examined the documentation for 375 personal care aide services and identified no errors.

The five errors were disallowed and the reimbursement is included in the total overpayment of \$614.81. These lapses likely occurred due to the Provider's conversion to electronic health records along with errors in submitting billing.

Recommendations:

We recommend the Provider improve its system of internal controls to ensure all records have been scanned into the electronic record system or are maintained in hard-copy format. We also recommend the Provider develop and implement internal controls to verify the correct numbers of units are billed for actual times that services were rendered.

Emergency Response Services

Documentation to support emergency response services rendered must include:

- A log containing the name and contact information of each recipient, and his or her authorized representative;
- A copy of each recipient's all services plan;

- A written record of the date of delivery and installation of the emergency response equipment, with the recipient's or authorized representative's signature verifying delivery and installation; and
- A written record of the monthly testing conducted on each recipient's emergency response equipment, including date, time and results of test.

See Ohio Admin. Code §§ 5101:3-46-04(H)(6) and 5101:3-50-04(H)(6)

We reviewed documentation for seven Emergency Response System Installation and Test services and found no instances of non-compliance. We tested 225 Emergency Response System Service Per Month for 11 different recipients and noted 14 instances (6 percent) where we were unable to locate documentation to show a monthly test was conducted on a specific consumer's system. The lack of a monthly test conducted on a recipient's emergency response system could result in delay in identification of a unit that is not functioning properly.

Recommendation:

We recommend the Provider continue its ongoing efforts to educate recipients on the importance of cooperating with the monthly tests of the emergency response system.

B. Service Authorization

According to Ohio Admin. Code §§ 5101:3-46-04(A) and 5101:3-50-04(A), in order to be a provider and submit a claim for reimbursement of waiver nursing services, the registered nurse, or the licensed practical nurse at the direction of the registered nurse, delivering the service must be identified as the provider on, and be performing nursing services pursuant to the recipient's plan of care. The plan of care must be signed and dated by the recipient's treating physician.

Waiver service providers must assure recipients receive waiver services in accordance with the recipient's all services plan. Ohio Admin. Code § 5101:3-45-10(A)(6)

Failing to ensure all plans of care are signed by the treating physician could result in the Provider rendering services that are not authorized and therefore not reimbursable. This lapse occurred due to the Provider not following up with the treating physician to ensure the physician authorized the services as indicated on the plan of care. We found no instances of services being provided beyond those authorized on the all services plan.

The five errors were disallowed and the reimbursement is included in the total overpayment of \$614.81.

Recommendation:

We recommend the Provider develop and implement internal controls to verify the plans of care are signed by the treating physician prior to submitting for reimbursement for services rendered.

C. Provider Qualifications

Nursing Services

According to Ohio Admin. Code § 5101:3-12-02(A), private duty nursing requires the skills of and is performed by either a registered nurse or a licensed practical nurse at the direction of a registered nurse. In addition, all nurses providing services to recipients on a waiver must possess

a current and valid license in good standing with the Ohio Board of Nursing. Ohio Admin. Codes §§ 5101:3-46-04(A) and 5101:3-50-04(A)

We randomly selected 20 employees that rendered nursing services during the examination period and tested to ensure that their nursing license was current and valid during the audit period. We searched each name on the Ohio e-License Center website and found no instances of non-compliance.

Personal Care Aide Services

According to Ohio Admin. Code §§ 5101:3-46-04(B) and 5101:3-50-04(B), before commencing service delivery, the personal care aide 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. This requirement became effective in October 2010. Prior to this, aides were required to obtain and maintain first aid certifications. In addition, according to Ohio Admin. Code §§ 5101:3-46-04(B) and 5101:3-50-04(B), otherwise-accredited agencies must assure that personal care aides maintain evidence of the completion of 12 hours (increased from eight hours as of October 25, 2010) of in-service continuing education within a 12 month period.

We haphazardly selected 20 aides who rendered services to Medicaid recipients in our sample. We reviewed each employee's personnel file to verify it contained all required information.

We noted that prior to November of 2011, the personal care aides were not receiving first aid training with hands-on training by a certified first aid instructor. We did note that, at the recommendation received in a PASSPORT review, the Provider started sending personal care aides to first aid training classes offered by the American Heart Association. Prior to November of 2011, aides were provided first aid instruction from a registered nurse during their initial orientation. The Provider submitted training materials to show the contents of the first aid training provided during orientation. The Provider explained this lapse occurred because the Provider was unaware of the change in the requirement.

For the continuing education requirement, the Provider stated that it sends out in-service materials for the aides to read. The aides are then asked to complete a posttest which is returned to the Provider. Once the posttest is received, an administrative assistant updates the in-service checklist showing that one hour of in-service was completed. The Provider did not consistently maintain the posttests submitted by the aides but did have checklists showing the topics completed.

We noted one instance where the Provider did not maintain a checklist showing that training hours were completed. The employee was missing the checklist for 2011 but did have completed checklists for 2009 and 2010. Failure to maintain proper documentation could result in the aide becoming ineligible to render personal care services. The Provider could not locate the missing record. When we identified this issue, the Provider moved the monitoring function to a different employee.

Recommendations:

We recommend the Provider continue to send personal care aides to first aid courses that include hands-on training by a certified first aid instructor. We also recommend the Provider implement internal controls to ensure all completed checklists are maintained in the employee's personnel file. The Provider should also ensure that completed posttests are received prior to crediting the aide with completing the training. The Provider should consider maintaining completed posttests

for a defined period of time and reviewing those as part of its quality improvement activities to ensure that continuing education requirements are being met. Additionally, we recommend that the Provider develop internal controls to ensure their practices are consistent and in compliance with the rules to avoid potential future findings.

Provider Response

A draft report along with a detailed list of services for which we took findings was mailed to the Provider on November 18, 2013, and the Provider was afforded an opportunity to respond to this examination report.

We did not receive a response from the Provider to the results noted above.



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HOMECARE WITH HEART, LLC.

MAHONING 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 17, 2013**