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**CARETENDERS OF CLEVELAND, INC. DBA ALMOST FAMILY - MEDLINK
CUYAHOGA COUNTY**

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

William B. Yarmuth, Chairman & CEO
Caretenders of Cleveland, Inc. DBA Almost Family - Medlink
9510 Ormsby Station Road
Louisville, Kentucky 40223

RE: *Medicaid Provider Number 2315211*

Dear Mr. Yarmuth:

We examined Caretenders of Cleveland, Inc. DBA Almost Family - Medlink (the Provider's) for compliance with specified Medicaid requirements for service documentation, service authorization, and provider qualifications related to the provision of home health nursing services, home health aide services, and personal care aide 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 were authorized in plans of care and all services plans. We also reviewed home health services that appeared to be provided while the recipient was a hospital inpatient. Finally, we reviewed personnel records and licensure data to verify that the Provider's staff met certification requirements. The accompanying Compliance Examination Report identifies the specific requirements examined for compliance.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid (ODM) 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 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 the American Institute of Certified Public Accountants' attestation standards 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.

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.

Opinion on Compliance

In our opinion, the Provider complied, in all material respects, with the aforementioned requirements pertaining to provider qualifications, service documentation and service authorization 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 disclosed 17 services in which the Provider did not maintain documentation of service delivery, one service not authorized by a plan of care, four services in which the time documented did not support the units billed and 16 services billed when the recipient was a hospital inpatient. As a result, we found the Provider was overpaid by Ohio Medicaid between January 1, 2009 and June 30, 2011 in the amount of \$64,271.81. This finding plus interest in the amount of \$5,917.41 totaling \$70,189.22, is due and payable to ODM upon ODM's adoption and adjudication of this examination report.

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 as it 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.



Dave Yost
Auditor of State

May 12, 2014

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
CARETENDERS OF CLEVELAND, INC. DBA ALMOST FAMILY – MEDLINK**

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 patients. 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 2315211, is a Medicare certified home health agency (MCHHA) located in Cuyahoga County, Ohio, that furnishes private duty nursing services, waiver nursing services, personal care aide services, home health nursing services, home health aide services, and physical and occupational therapy services to Ohio Medicaid recipients. Caretenders of Cleveland, Inc. is a subsidiary of Almost Family, Inc. and, in 2002, Caretenders of Cleveland, Inc. acquired the home health operations in Ohio from Medlink of Ohio. We confirmed through the Ohio Secretary of State website that Caretenders of Cleveland, Inc. submitted a fictitious name filing for Almost Family Caretenders.

The Provider received a total reimbursement of \$15,025,913.16 during the examination period, which included \$5,321,808.90 for 125,027 home health aide services, \$4,884,078.62 for 87,889 home health skilled nursing services, \$4,551,853.20 for 69,122 personal care aide services, 146,610.84 for 688 private duty nursing services, \$100,412.48 for 937 waiver nursing services, \$19,227.62 for 270 physical therapy services, and \$1,921.50 for 27 occupational therapy services, rendered on 221,020 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 waiver 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 home health nursing services provided by a registered nurse, or a licensed practical nurse under the supervision of a registered nurse. The nurse performing the service must be employed or contracted by the MCRHHA and the services have to be within the nurse's scope of practice. Home health nursing services must be face-to-face, be in

accordance with the recipient's plan of care, and be medically necessary to care for the recipient's illness or injury.

Ohio Medicaid recipients may also be eligible to receive personal care or home health aide 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) While home health aide services include assisting the recipient with activities of daily living however they also help the recipient maintain a certain level of health in order to remain in the home setting. See Ohio Admin. Code § 5160-12-01(F)(2)

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 home health nursing services, home health aide services, and personal care aide 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 (MMIS). We removed any services paid at zero, all services with a third party payment, and all services previously identified by ODM as an overpayment. We then extracted services to recipients who appeared to be a hospital inpatient on the same date the Provider billed for home health care services, and examined all of these services. The remaining subpopulation was used to extract a statistical random sample of home health nursing services, home health aide services, and personal care aide services.

We used a two-stage approach to select the statistical random sample. In the first stage, 50 of the 930 unique recipients from the subpopulation were randomly selected. In the second stage, all the paid RDOS related to the sample recipients were extracted and stratified by recipient, and a stratified random sample of RDOS was then drawn. For those recipients with more than 30 RDOS, we randomly selected 30 RDOS. For those recipients with 30 or fewer RDOS, we selected all of the RDOS for examination. We then obtained the detailed service lines associated with each selected RDOS. A total of 1,530 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).

The sample RDOS were also matched against service files for the Department of Aging (DOA) and the Department of Developmental Disabilities (DODD) to obtain all Medicaid related services for the sample recipients on the sampled dates of service. Where there was a waiver service billed through DODD or DOA for a similar home health service on the same date for the same recipient as those in our sample, we determined if the Provider had documentation to support the all of the paid Medicaid services.

In addition, we interviewed key personnel and reviewed service documentation, plans of care and all services plans. We also haphazardly selected 44 employees that rendered aide 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 21, 2013, setting forth the purpose and scope of the examination. Our fieldwork was performed in July and August, 2013. Upon receipt of the draft report the Provider submitted additional documentation which we reviewed for compliance.

Results

We reviewed 1,530 services that consisted of home health nursing services, home health aide services, and personal care aide services in our statistical sample and identified 22 instances of non-compliance. In certain instances, the non-compliance resulted in overpayments and the basis for our findings is described below in more detail. While certain services had more than one error, only one finding was made per service.

The overpayments identified for 12 of 50 recipients (21 of 1,246 RDOS) from our two-stage statistical sample were projected across the Provider's total subpopulation of paid G0154 (state plan nursing), G0156 (state plan aide), and T1019 (waiver personal care) services. This resulted in a projected overpayment amount of \$182,128.09 with a precision of plus or minus \$141,008.12 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 \$63,422.27. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$63,422.27.

In addition, we conducted a review of 33 services to recipients who appeared to be a hospital inpatient on the date the Provider billed for home health care services and identified 16 instances of non-compliance. We identified an overpayment of \$849.54 as a result of the 16 errors. All instances of non-compliance are described below.

A. Service Documentation

According to Ohio Admin. Code § 5101:3-12-03(C)(4), all MCHHA's are required to maintain documentation on all aspects of services provided. Documentation includes but not limited to clinical records and time keeping records that indicate the date and time span of the service provided during a visit and the type of service provided. Waiver services provided to a recipient enrolled in an ODM administered waiver also must have documented the tasks performed or not performed, the arrival and departure times and the dated signatures of the provider and recipient or authorized representative. See Ohio Admin. Code §§ 5101:3-46-04(A)(6)(j) and (B)(8), and 5101:3-50-04(A)(6)(j) and (B)(8)

Our examination of the statistical sample found 17 services with no documentation to support the date of service and four services where the hours documented on the service record did not support the units billed. These 21 errors were disallowed and the reimbursement is included in the projected overpayment of \$63,422.27.

In our statistical sample there were 79 instances of a service reimbursed by DODD or DOA for a similar home service on the same date for the same recipient. We examined the Provider's service documentation to determine if the Provider had documentation to support both the Medicaid and DODD or DOA services. We found no exceptions.

Recommendation:

The Provider should strengthen its internal controls to ensure that services for which there is no supporting documentation are not billed. We also recommend the Provider develop and

implement internal controls to verify the correct number of units are billed for actual time that services were rendered.

B. Service Authorization

Plan of Care

In order for home health services to be covered, MCHHA's must provide home health services as specified in the plan of care in accordance with rule 5101:3-12-03 of the Administrative Code. This rule requires that MCHHA's implement policy components as specified in the Medicare Benefit Policy Manual, Chapter Seven: Home Health Services for "Content of the Plan of Care" section 30.2. See Ohio Admin. Code § 5101:3-12-03 (B)(3) The Medicare Benefit Policy Manual states that the plan of care must indicate the type of services to be provided as well as the frequency of the visits to be made. In addition, orders for services to be furnished "as needed" or "PRN" must be accompanied by a description of the recipient's medical signs and symptoms that would occasion a visit and a specific limit on the number of those visits to be made under the order before an additional physician order would have to be obtained.

Home health services not specified in a plan of care are not reimbursable. Additionally the MCHHA's plan of care must provide the amount, scope, duration, and type of home health service as identified on the all services plan for recipients enrolled in a Medicaid waiver. See Ohio Admin. Code § 5101:3-12-01

We reviewed the plans of care in effect during the examination period for each recipient tested in our statistical sample to ensure that a plan of care authorizing waiver nursing and home health services was present and listed the Provider as a rendering provider.

Our examination found one service which was not authorized by a plan of care. This error was disallowed and the reimbursement is included in the projected overpayment of \$63,422.27.

Recommendation:

The Provider should implement internal controls to ensure plans of care are in place prior to providing services. The Provider should address the identified issue to ensure compliance with Medicaid rules and avoid future potential findings.

All Services Plan

According to Ohio Admin. Code §§ 5101:3-46-04(A)(4) and (B)(5) and 5101:3-50-04(A)(4) and (B)(5), the Provider must be identified on the recipient's all services plan and the plan must specify the number of hours for which the provider is authorized to furnish waiver nursing services to the recipient.

We obtained the all services plans for the recipients enrolled in an ODM administered waiver and reviewed them to verify that the Provider was listed as an authorized provider and had units authorized for the type of service rendered. We identified no exceptions.

C. Provider Qualifications

Nursing Services

According to Ohio Admin. Code § 5101:3-12-01(A), home health 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.

We haphazardly selected 24 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), prior to commencing service delivery, the personal care aide must obtain a certificate of completion for the nurse aide competency evaluation program and obtain and maintain first aid certification.

We haphazardly selected 20 aides who rendered services to Medicaid recipients in our samples. We reviewed each employee's personnel file to verify it contained the required information. We found no exceptions.

D. Hospital Inpatients

MCHHA's must provide home health services in the recipient's place of residence. See Ohio Admin. Code § 5101:3-12-01(E)(4)

We conducted an exception test of 33 services to recipients who appeared to be a hospital inpatient on the date the Provider billed for home health care services. We reviewed MMIS and the Patient Health Record: Medical Details report from ODM's Quality Decision Support System to determine if the recipient was an inpatient on the date the Provider billed for home health care services. We did not consider the day of admission or discharge as an inpatient day for the purpose of this test. We identified 16 services where the recipient was identified as a hospital inpatient on the date the Provider billed for home health care services. The 16 errors were disallowed and the reimbursement of \$849.54 is included in the total overpayment of \$64,271.81.

Recommendation:

The Provider should strengthen its internal controls to ensure that services are only provided in the recipient's place of residence and that it submits claims for reimbursement only for services actually rendered.

Provider Response

A draft report along with a detailed list of services for which we took findings was mailed to the Provider on April 17, 2014, 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.

APPENDIX I

**Summary of Sample Record Analysis for: Caretenders of Cleveland, Inc.
 DBA Almost Family - Medlink
 For the period January 1, 2009 to June 30, 2011**

Description	Results
Type of Examination	Two-Stage Cluster Random Sample
Description of Population	All paid G0154, G0156, and T1019 services in examination period net of adjustments and excluding services with third-party payments or previous ODM findings
Number of Recipients in Subpopulation	930
Number of Recipients Sampled	50
Number of Recipients Sampled with Errors	12
Number of Recipient Dates of Service in Population	219,634
Number of Recipient Dates of Service Sampled	1,246
Number of Recipient Dates of Service Sampled with Errors	21
Total Medicaid Amount Paid for Subpopulation	\$14,757,740.72
Amount Paid for Services Sampled	\$82,941.91
Estimated Overpayment (Point Estimate)	\$182,128.09
Precision of Overpayment Estimate at 95% Confidence Level	\$141,008.12
Precision of Overpayment Estimate at 90% Confidence Level	\$118,705.82
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)	\$63,422.27

Source: AOS analysis of MMIS information and the Provider's records.



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CARETENDERS OF CLEVELAND DBA ALMOST FAMILY- MEDLINK

CUYAHOGA 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
JUNE 3, 2014**