



Dave Yost • Auditor of State

ELITE NURSING HOME SERVICES, LLC

MEIGS COUNTY

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

Eddena Smith, Owner and Administrator
Elite Home Nursing Services, LLC
(Formerly known as Ohio Valley Home Nursing Services, LLC)
114 East Main Street
Pomeroy, Ohio 45769

Dear Ms. Smith:

We were engaged to examine your (the Provider) compliance with specified Medicaid requirements for service documentation, service authorization and provider qualifications related to the provision of private duty nursing, waiver nursing and personal care aide services during the period of January 8, 2013 through December 31, 2014. 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 tested plans of care and all services plans and reviewed personnel records to test nursing and aide qualifications were met.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Provider complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Provider 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. Our examination does not provide a legal determination on the Provider's compliance with the specified requirements.

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.

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

The Provider declined to submit a signed representation letter acknowledging responsibility for maintaining records and complying with applicable laws and regulations regarding Ohio Medicaid reimbursement; establishing and maintaining effective internal control over compliance; making available all documentation related to compliance; and responding fully to our inquiries during the examination.

Disclaimer of Opinion

Our responsibility is to express an opinion on the subject matter based on conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 whether the subject matter is in accordance with the criteria, in all material respects.

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.

We found the Provider was overpaid by Ohio Medicaid for services rendered between January 8, 2013 and December 31, 2014 in the amount of \$67,760.49. This finding plus interest in the amount of \$6,245.10 totaling \$74,005.59 is due and payable to the ODM upon its 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, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B)

This report is intended solely for the information and use of the Ohio Department of Medicaid and other regulatory and oversight bodies, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

June 2, 2017

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

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(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. Ohio Admin. Code § 5160-1-17.2(D) and (E)

Ohio Medicaid recipients may be eligible to receive personal care aide services that assist the recipient with activities of daily living such as bathing and dressing, general homemaking activities, household chores, personal correspondence, accompanying the consumer to medical appointments or running errands. See Ohio Admin. Code §§ 5160-46-04(B)(1) 5160-50-04(B)(1), And 5160-47-04(B)(1).

Home care nursing services under Ohio Medicaid may include waiver nursing and private duty nursing services. Home care nursing services furnishes services upon written authorization. In addition, waiver nursing and private duty nursing services must be provided and documented in accordance with the recipient's plan of care, which is a medical treatment plan that is established, approved and signed by the treating physician. The plan of care must be signed and dated by the treating physician prior to requesting reimbursement for a service. See Ohio Admin. Code §§ 5160-12-02(B), 5160-46-04(A)(4)(g), 5160-50-04(A)(4)(g), and 5160-47-04(A)(4)(g).

The Provider is an Other Accredited Home Health Agency with the Medicaid number 0070019 and, during the examination period, received Medicaid reimbursement of \$694,973.64 for the following 6,826 home health services:

- 4,814 personal care aide services (procedure code T1019);
- 240 waiver nursing services (procedure codes T1002 and T1003); and
- 1,772 private duty nursing services (procedure code T1000);

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

The scope of the engagement was limited to an examination of home health services, specifically waiver nursing, private duty nursing and personal care aide services that the Provider rendered to Medicaid recipients and received payment during the period of January 8, 2013 through December 31, 2014.

We received the Provider's claims history from the Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed all services with a paid amount of zero.

Purpose, Scope, and Methodology (Continued)

Using a stratified random sampling approach, we selected a statistical sample by recipient date of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. A statistical sample was pulled from this population to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1). From the population of 5,267 RDOS, we selected a random sample of 551 RDOS. We then obtained the detailed services for the 551 RDOS which resulted in a sample of 735 services. The final calculated required sample size is shown in the table below.

Universe/Strata	Population Size	Sample Size
Strata 1 – Paid amount less than \$75.00	1,702 RDOS	84 RDOS
Strata 2 – Paid amount between \$75.00-\$99.99	1,304 RDOS	92 RDOS
Strata 3 – Paid amount between \$100.00-\$174.99	996 RDOS	101 RDOS
Strata 4 –Paid amount between \$175.00- \$274.99	937 RDOS	176 RDOS
Strata 5 – Paid amount \$275.00 or greater	328 RDOS	98 RDOS
Total:	5,267 RDOS	551 RDOS

An engagement 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 process for submitting billing to the Ohio Medicaid program. After receiving the initial results of our testing, the Provider submitted additional documentation. We reviewed all records received for compliance and updated our results accordingly.

Results

We reviewed 735 services in our statistical sample and found 92 errors. The overpayments identified for 80 of 551 RDOS (86 of 735 services) from our stratified statistical random sample were projected across the Provider's total population of paid RDOS. This resulted in a projected overpayment amount of \$83,977 with a precision of plus or minus \$16,328 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). Additional corrections were then done for skewness in strata four and five and a final finding was made for \$67,760.49. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$67,760.49.

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.

A. Provider Qualifications

Nursing Services

According to Ohio Admin. Code §§ 5160-12-02(A), 5160-46-04(A), 5160-47-04(A), and 5160-50-04(A)², private duty nursing and waiver 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 searched the names of the 19 nurses that rendered services in the statistical sample on the Ohio e-License Center website and verified that their professional license was current and valid on the first date of service in the sample and was active during the remainder of the examination period.

We found no instances of non-compliance.

Aide Services

Prior to rendering services, personal care aides are required to obtain state licensure or complete training and/or a competency evaluation program that meets the requirements of 42 CFR 484.36 (a) or (b). The competency evaluation program includes an annual performance review and 12 hours of in-service continuing education annually. See Ohio Admin. Code §5160-46-04(B)(6)(b), 5160-47-04(B)(6)(b) and 5160-50-04(B)(6)(b).

In order to submit a claim for reimbursement, all individuals providing personal care aide services must obtain a satisfactory rating on their competency evaluations and obtain and maintain a current first aid certification. In addition, personal care aides must complete 12 hours of in-service continuing education.

In-Service Hours

We tested continuing education hours for six personal care aides who worked a full calendar year during the examination period. We found that all six had completed the required 12 hours.

First Aid Certification

We tested the first aid certification for 32 aides that rendered personal care aide services in the statistical sample. We found that five aides did not have first aid certification and four aides that provided services prior to obtaining first aid certification. The Provider indicated the aides had completed a Basic Life Support (BLS) course and the Provider had assumed that first aid was included in the BLS curriculum. We reviewed descriptions of BLS courses and verified that first aid is not a component.

Competency Evaluation

We tested the initial competency evaluations for 24 personal care aides and the Ohio Department of Health Registry for eight State Certified Nurse Aides (STNAs) in the statistical sample. We found two aides rendered services before obtaining a completed competency evaluation.

² Per Section 323.10.70 of Am. Sub. H. B. 59 of the 130th General Assembly, the Legislative Services Commission renumbered the rules of the Office of Medical Assistance within the Department of Job and Family Services to reflect its transfer to ODM. The renumbering became effective on October 1, 2013.

A. Provider Qualifications (Continued)

We reviewed 735 services and identified 62 services rendered by aides who did not meet provider qualifications on the date of service. These 62 errors were used in the overall projection of \$67,760.49.

We also found two aides with competency evaluations that were not filled out completely with either date missing or the box for observation with patient not filled out. We obtained dated certificates indicating 75 hours completed home health training to meet 42 CFR 484.36 for these individuals and did not include these two aides in the errors identified in this report.

Recommendation:

The Provider should improve its internal controls to ensure all personnel meet applicable requirements prior to rendering direct care services and maintain appropriate documentation to demonstrate that all requirements have been met. The Provider should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

B. Authorization to Provide Services

Plan of Care

All home health providers are required by Ohio Admin. Code § 5160-12-03(B)(3)(b) to create a plan of care for recipients including recipients' medical condition and treatment plans anticipated by provider. The plan of care is also required to be signed by the treating physician of recipient. Home health providers must obtain the completed, signed and dated plan of care prior to billing ODM for the service.

We reviewed 735 services and found five services that were submitted for reimbursement prior to the date the physician signed the plan of care. We also found two plans of care that were signed by a certified nurse practitioner and not by the certifying physician. These seven errors were used in the overall projection of \$67,760.49.

All Services Plan

Providers of home health services must be identified on the all services plan when a recipient is enrolled in home and community based waiver. See Ohio Admin. Code §§ 5160-12-01, 5160-46-04, 5160-50-04, and 5160-47-04.

We haphazardly selected one all services plan for each of the 24 waiver recipients in the statistical sample and verified that the plan identified the Provider and a nursing and/or aide service.

We found no instances in which the provider and service were not identified on the all services plan.

Recommendation:

The Provider should establish a system to obtain the required plans of care completed by an authorized treating physician and to ensure the signed plans of care are obtained prior to submitting claim for services to ODM. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

C. Service Documentation

Providers of home health services must maintain documentation of home health services provided that includes, but is not limited to, clinical records and time keeping that indicate time span of the service and the type of service provided. See Ohio Admin. Code § 5160-12-03(C)(4).

Documentation to support personal care aide services must include the tasks performed or not performed and the arrival and departure times. See Ohio Admin. Code §§ 5160-46-04(B)(8), 5160-47-04(B)(8) and 5160-50(B)(8). According to Ohio Admin. Code § 5160-45-10(A), providers of waiver services must maintain and retain all required documentation including, but not limited to, the dated signatures of the provider and the recipient or authorized representative verifying the service delivery upon completion of service delivery.

Our review of the statistical sample of 735 services identified the following errors:

- 14 services where the supporting documentation was not signed by the recipient or authorized representative;
- 7 services in which the units reimbursed exceeded the documented duration; and
- 2 services in which there was no service documentation to support the service.

In the 14 services that lacked the signature of the recipient or authorized representative, it appears that the aide rendering the service signed the recipients' initials. These 23 errors were used in the overall projection of \$67,760.49.

We also identified 16 instances where the units reimbursed did not match the documentation for the identified visit or shift. However, after totaling all of the visits/shifts rendered on the same day to the same recipient, we found that the total units reimbursed did not exceed total duration documented and we did not identify these instances as errors.

In addition, we noted instances where the service documentation was not signed by the provider or recipient upon completion of service delivery. In these instances, the Provider's name and recipient's signature was listed only once for all shifts during the week. These instances of non-compliance were not included in the number of errors identified in this report.

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 implement documentation practices for providers and recipients to sign after completion of service delivery. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Provider 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. We sent a draft report to the Provider after which the Provider submitted additional documentation to support its compliance with the Medicaid requirements. We reviewed all of the additional documentation and updated the results accordingly.

APPENDIX I

Summary of Sample Record Analysis

POPULATION

The population is all paid Medicaid personal care aide, private duty nursing and waiver nursing (procedure codes T1019, T1000, T1002 and T1003), net of any adjustments where the service was performed and payment was made by ODM during the examination period.

SAMPLING FRAME

The sampling frame was paid and processed claims from MITS. These systems contain all Medicaid payments and all adjustments made to Medicaid payments by the State of Ohio.

SAMPLE UNIT

The primary sampling unit was an RDOS.

SAMPLE DESIGN

We used a stratified random sample based on reimbursement.

Description	Results
Number of Population RODS	5,267
Number of Population RDOS Sampled	551
Number of Population RDOS Sampled with Errors	80
Number of Population Services Provided	6,826
Number of Population Services Sampled	735
Number of Population Services Sampled with Errors	86
Total Medicaid Amount Paid for Population	\$694,973.64
Amount Paid for Population Services Sampled	\$105,166.98
Estimated Overpayment (Point Estimate)	\$83,977
Precision of Overpayment Estimate 95% Confidence Level	\$16,328
Precision of Overpayment Estimate 90% Confidence Level	\$13,703
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence Level (Calculated by subtracting the 90 percent overpayment precision from the point estimate) ¹	\$67,760

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

¹Correction for skewness in lower limit for strata 4 and 5 confidence level using method described in "Sampling Methods for the Auditor, An Advanced Treatment: by Herbert Arkin. This technique uses tables provided by E.S. Pearson and H.O. Hartley, Biometrika Tables for Statisticians, Vol 1 3rd Ed., Cambridge University Press, New York, 1969, Table 42. The 90 percent lower limit precision was expanded due to skewness to \$16,217.51.

APPENDIX II

June 5th, 2017

Dave Yost
Auditor of State
88 East Broad Street
Ninth Floor
Columbus, OH 43215

Dear Auditor Yost,

This letter serves as an official response to the Ohio Department of Medicaid audit performed by your office for the time span of January 8, 2013 – December 31, 2014.

Elite Home Nursing Services, LLC began serving Meigs, Gallia, Athens and Washington counties January 2013 with the goal then to provide excellent home health services to our underserved community. This continues to be our goal up to the current date 4 years later. Looking at this survey, I would like the public to take into consideration that this is our initial audit, and the results reflect that our overpayment still remains less than the national average.

Currently, the national overpayment averages 10% or greater. Elite Home Nursing Services, LLC was able to remain below the national average, despite the fact of being a contemporary agency in an ever-changing and rapid growing industry.

The audit reflected our only area of non-compliance is within the provider qualifications, singly the home health aide services. The audit reported that the majority of our overpayment stems from a discrepancy involving first-aid certification. The policy of our agency at that time required all staff providing direct patient care to have Healthcare Provider CPR. With that being said, as an agency, we were under the impression that we were over qualifying our staff with the CPR certification because the state of Ohio requires only first-aide. As a nurse of 19 years, I have taken a CPR course every 2 years, each course contained a first-aid component in addition to basic life support. We truly believed we were over credentialing our home care aides. In addition, as of October 2014 we credentialed one of our staff members to exclusively teach CPR and First Aid to our employees upon hire and every two years to promote continuity and control over course content. Further audits will not result in a noncompliance.

Our agency provides services to individuals across the lifespan from birth to death. In order to provide these services to such a wide age range, we are required to adhere to a multitude of rules that differ from program to program within one state for the same services. The vast majority of these rules are based on age alone, for example our clients who receive personal care services transition to the Passport Waiver Service thru ODA in coordination with ODM at the age of 60. Even though there are no changes in diagnosis or condition, there is no longer a requirement for

CPR or first-aid creating a disparity or imbalance among our clients. We would like to urge the Ohio Department of Medicaid to amalgamate these rules in an effort to increase compliance among agencies that provide Home and Community Based Services.

Last, I would like to include that in the spring of 2013 provider oversight PCG for Ohio Medicaid Home and Community Based services arrived at our agency for an unannounced survey/site visit for post-enrollment. The site visit is to ensure that providers are following Ohio rules and regulations. Benjamin Fenwick and Candace Perkins completed an onsite survey during which they reviewed several employee files and patient charts, specifically reviewing employee competency. It was noted at this time that our agency was in compliance, including the CPR and first-aid process that is now considered a non-compliance issue. The only instruction that was given from the above named surveyors was that the CPR and first-aid could not be solely internet based, in which none of ours were. Had any further instruction been given, we could have immediately changed our policy and procedures. Our goal as an agency is always to provide excellent care to our community and to remain complaint with all ODM rules. At the survey end we were deemed competent to continue providing services according to current policy and procedure and ORC. There was no Notice of Operational Deficiency and no request for any Plan of Correction.

Thank you for your time and consideration in reading and reviewing our response.

Sincerely,

Eddena Smith BSN, RN
Adminstrator
Elite Home Nursing Services, LLC



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ELITE HOME NURSING SERVICES

MEIGS 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
JULY 6, 2017**