



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
88 East Broad Street  
Columbus, Ohio 43215  
(614) 466-3340  
ContactMCA@ohioauditor.gov

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

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

RE: Pearl's Hope Inc.  
Ohio Medicaid Number: 0259691 NPI: 1164513586

We were engaged to examine compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of home health aide services and provider qualifications and service documentation related to the provision of personal care aide services for Pearl's Hope, Inc. during the period of July 1, 2018 through June 30, 2020.

In addition, we tested services billed during a potential inpatient hospital stay and potential overlapping services for one rendering practitioner on one selected date of service.

Pearl's Hope 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 Pearl's Hope is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements included in the engagement.

### ***Internal Control over Compliance***

Pearl's Hope 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 Pearl's Hope's internal controls over compliance.

### ***Basis for Disclaimer of Opinion***

We tested 43 payments in which the date of service overlapped an inpatient stay. We confirmed that the recipient was an inpatient for 36 of these payments (84 percent) and that the date of service was not the date of the hospital admission or discharge. Pearl's Hope submitted service documentation with time in and time out and activities performed for 11 visits on dates in which recipient was in the hospital. For one of the 11 visits, Pearl's Hope submitted a nursing assessment which indicated that the recipient had no risks for hospitalization.

In addition, in our test of services with potentially overlapping times, we found one aide reported working from 5:10 am to 11:00 pm (17 hours and 50 minutes) with no break. As part of this time, this aide reported that it took five minutes to travel between patients; however, based on the recipient's reported addresses, the fastest travel time between these addresses is over 20 minutes. As a result, we were unable to gain assurance on the reliability of the service documentation obtained for this exception test.

***Disclaimer of Opinion***

Our responsibility is to express an opinion on Pearl's Hope's compliance with select Medicaid requirements 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 Pearl's Hope's compliance with the specified Medicaid requirements 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 Pearl's Hope's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$1,694.81. This finding plus interest in the amount of \$160.12 (calculated as of July 18, 2022) totaling \$1,854.93 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. If waste and abuse are suspected or apparent, the Department and/or the office of the attorney general will take action to gain compliance and recoup inappropriate or excess payments.<sup>1</sup> Ohio Admin. Code § 5160-1-29(B).

We are required to be independent of Pearl's Hope and to meet our ethical responsibilities, in accordance with the ethical requirements established by the American Institute of Certified Public Accountants related to our compliance examination. This report is intended solely for the information and use of 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

July 18, 2022

---

<sup>1</sup> "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 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).

Pearl's Hope is a Medicare certified home health agency and received payment of approximately \$15 million under the provider number examined for over 353,000 home health and waiver services<sup>2</sup>. Pearl's Hope has one location in Beachwood, Ohio.

### Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Pearl's Hope'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 aide and personal care aide services as specified below for which Pearl's Hope billed with dates of services from July 1, 2018 through June 30, 2020 and received payment.

We obtained paid claims data from two of Ohio's Medicaid managed care organizations and verified that all services were paid to Pearl's Hope's tax identification number. From the combined claims data, we removed all services paid at zero.

From the total paid services population, we extracted all home health aide (G0156), homemaker/personal care (S5130), nursing assessment (T1001) and personal care aide (T1019) services billed during a potential hospital inpatient stay to examine (Services During Inpatient Stay Exception Test).

We then extracted one aide's services for one day as indicated by the electronic visit verification (EVV) data. We also selected other aide services provided to the same recipients on this same day. In total we selected 13 payment to test in their entirety (Potential Overlapping Services Exception Test).

From the remaining population of services, we extracted all home health aide (G0156) and personal care aide (T1019) services into separate files. We summarized each file 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 random sample of 60 RDOS from each file and obtained the detailed services on these RDOS. We also identified and extracted all waiver aide services billed on the same RDOS as the sampled home health aide services and all home health aide services billed on the same RDOS as the sampled personal care aide services to examine.

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

---

<sup>2</sup> Payment data from the Medicaid Information Technology System (MITS).

<b>Table 1: Exception Tests and Samples</b>			
<b>Universe</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Selected Services</b>
<b>Exception Tests</b>			
Services During Inpatient Stay (G0156, S5130, T1001, T1019)			54
Potential Overlapping Services (G0156, S5130, T1019)			13
<b>Samples</b>			
Home Health Aide Services (G0156)	104,757 RDOS	60 RDOS	60
Other Aide Services (S5130, T1019)			<u>66</u>
Total Aide Services			126
Personal Care Aide Services (T1019)	154,598 RDOS	60 RDOS	73
Other Aide Services (G0156, S5130)			<u>53</u>
Total Aide Services			126
<b>Total</b>			<b>330</b>

A notification letter was sent to Pearl's Hope setting forth the purpose and scope of the examination. During the entrance conference, Pearl's Hope described its documentation practices and billing process. During fieldwork, we reviewed service documentation and personnel qualifications. We sent preliminary results to Pearl's Hope and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

**Results**

- We identified 36 payments for services while recipient was inpatient for an improper payment of \$1,142.54;
- We found 14 payments for home health aide services that did not have a plan of care signed by physician and one instance with no documentation to support the payment. In addition, we identified two instances for other aide services billed on same date as home health aide services that lacked documentation to support the payment. In total for these 17 errors, we identified an improper payment of \$467.71;
- We identified one instance in which personal care aide service lacked documentation to support the payment and identified an improper payment of \$84.56; and
- We did not identify improper payment for the exception test of potentially overlapping time as we were unable to gain assurance on the reliability of the service documentation.

The non-compliance and basis for findings is discussed below in further detail.

**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 82 individuals 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 found no matches. We also compared identified administrative staff to the same database and exclusion/suspension list. We found no matches.

*Personal Care Aide Services*

In order to submit a claim for reimbursement, all individuals providing personal care aide services 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. See Ohio Admin. Code § 5160-46-04.

All 54 personal care aides identified in the service documentation for the selected services had the required first aid certification.

**B. Service Documentation**

A Medicare certified home health agency must maintain documentation of home health services that includes, but not limited to, clinical and time keeping records indicating the date and time span of the service and the type of service provided. See Ohio Admin. Code § 5160-12-03(B)(9).

For personal care aide services, the provider must maintain and retain all required documentation including, but not limited to documentation of tasks performed or not 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.

We obtained service documentation from Pearl's Hope and compared it the required elements. We also compared units billed to documented duration and compared services by recipient and the rendering practitioner to identify overlapping services.

*Services During Inpatient Stay Exception Test*

We contacted hospitals and obtained confirmation of dates of the stay for each recipient. We compared these confirmed dates with Pearl's Hope's billed dates of service and found 36 dates in which the recipient was an inpatient and Pearl's Hope was reimbursed for home health services.

Pearl's Hope provided service documentation for 11 visits on 10 of the 36 dates in which the recipient was an inpatient. These 11 visits included one nursing assessment, four home health aide and six personal care aide visits. For the other 26 dates, Pearl's Hope had no documentation to support the payment. These 36 errors resulted in an improper payment amount of \$1,142.54.

Pearl's Hope had no explanation for how the services were billed during an inpatient stay.

*Potential Overlapping Services Exception Test*

As we were unable to gain assurance on the reliability of the service documentation, we did not include any of the 13 selected payments in our identified improper payment. These 13 payments totaled \$551.37.

*Home Health Aide Services Sample and Other Aide Services*

The 126 combined home health and other aide services examined contained three instances in which there was no service documentation to support the payment. These three errors are included in the improper payment of \$467.71.

*Personal Care Aide Services Sample and Other Aide Services*

The 73 sampled personal care aide services examined contained one instance in which there was no service documentation to support the payment. There were no errors in the other aide services. This one error resulted in the improper payment amount of \$84.56.

**Recommendation**

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

**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 Pearl's Hope 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. We did not test service authorization requirements for the exception tests, personal care aide or other aide services.

*Home Health Aide Services Sample and Other Aide Services*

The 60 home health aide services examined contained 14 instances in which the plan of care was not signed by a physician. These 14 errors are included in the improper payment of \$467.71.

Pearl's Hope indicated that the plans of care were signed by a certified nurse practitioner; however, a certified nurse practitioner was not authorized to certify services until June 12, 2020 per Ohio Admin. Code § 5160-12-01.

**Recommendation**

Pearl's Hope should establish a system to ensure a signed plan of care are signed prior to submitting a claim for reimbursement to the Medicaid program. Pearl's Hope should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

**Official Response**

Pearl's Hope declined to submit an official response to the results noted above.



# OHIO AUDITOR OF STATE KEITH FABER



**PEARL'S HOPE INC.**

**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 8/25/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

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