



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: Sacred Arms, Inc.
Ohio Medicaid Number: 2645963 NPI: 1235142001

We examined compliance with specified Medicaid requirements for program exclusion, service documentation and service authorization related to the provision of home health aide services for Sacred Arms, Inc. during the period of January 1, 2019 through December 31, 2020.

In addition, we tested services billed during a potential inpatient hospital stay, as well as, potential duplicate payments for the same recipient and date of service. We also tested all waiver aide services for the same recipient and date of service as the sampled home health aide services. Further, we compared electronic visit verification (EVV) data to all paid services in 2020 to determine compliance with Ohio Admin. Code § 5160-1-40.

Sacred Arms 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 Sacred Arms is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements examined. Our responsibility is to express an opinion on Sacred Arms' 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 Sacred Arms complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Sacred Arms 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 Sacred Arms 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 opinion. Our examination does not provide a legal determination on Sacred Arms' compliance with the specified requirements.

Internal Control over Compliance

Sacred Arms 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 Sacred Arms' internal control over compliance.

Opinion on Compliance

In our opinion, Sacred Arms has complied, in all material respects, with the select requirements of home health aide services for the period of January 1, 2019 through December 31, 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 Sacred Arms compliance with other requirements.

We identified improper Medicaid payments in the amount of \$2,280.91. This finding plus interest in the amount of \$163.85 (calculated as of June 29, 2022) totaling \$2,444.76 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 Sacred Arms, 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 29, 2022

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).

Sacred Arms is a Medicare certified home health agency (MCHHA) and received payment of approximately \$2.1 million under the provider number examined for 36,078 fee-for-service home health and waiver services. Sacred Arms also received over \$1.3 million in managed care payments¹ which were not included in the scope of the examination. Sacred Arms has one physical location in Youngstown, Ohio.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Sacred Arms' 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 services as specified below for which Sacred Arms billed with dates of service from January 1, 2019 through December 31, 2020 and received payment.

We obtained Sacred Arms' claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed services paid at zero, third party payments and managed care encounters. From the total paid services population, we extracted all nursing (T1002 and T1003) and personal care aide (T1019) services billed during a potential hospital inpatient stay to examine (Services During Inpatient Stay Exception Test).

We then extracted all services billed on behalf of the same recipient with the same number of units, date of service, procedure code, modifiers and paid amount to examine (Duplicate Services Exception Test).

From the remaining population, we extracted all home health aide services (procedure code G0156) and summarized 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 statistical random sample of 91 RDOS from the population and obtained the detailed aide services on these RDOS. We also identified and extracted all waiver aide services billed on the same RDOS as the sampled home health aide service to examine. We used a statistical sampling approach to examine services in order to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

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

¹ Payment data from the Medicaid Information Technology System.

Purpose, Scope, and Methodology (Continued)

Table 1: Exception Tests and Sample			
Universe	Population Size	Sample Size	Selected Services
Exception Tests			
Services During Inpatient Stay (T1002, T1003 and T1019)			15
Duplicate Home Health Aide Services (G0156)			134
Samples			
Home Health Aide Services (G0156)	14,380 RDOS	91 RDOS	128
Waiver Aide Services (MR970 and T1019)			<u>10</u>
Total Aide Services			138
Total			287

A notification letter was sent to Sacred Arms setting forth the purpose and scope of the examination. During the entrance conference, Sacred Arms described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used and reviewed service documentation. We sent preliminary results to Sacred Arms 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**. 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 Inpatient Stay	15	10	10	\$436.76
Duplicate Services	134	34	34	\$1,749.97
Samples				
Home Health Aide Services	128	2	2	\$94.18
Other Waiver Aide Services	<u>10</u>	<u>0</u>	<u>0</u>	<u>\$0.00</u>
Total Aide Services	138	2	2	\$94.18
Total	287	46	46	\$2,280.91

A. Program Exclusion

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 32 aides 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 identified owner and administrative staff names to the same database and exclusion/suspension list. We found no matches.

B. Service Documentation

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

We obtained service documentation from Sacred Arms and compared it to the required elements. We also compared units billed to documented duration and compared services by recipient and the rendering practitioner to identify any overlapping services. For errors where the number of units billed exceeded the documented duration, the improper payment was based on the unsupported units.

Services During Inpatient Stay Exception Test

Sacred Arms provided service documentation for 14 of the 15 selected services; however, the hospital verified that the recipient was an inpatient for nine of these 14 services. For five services, the hospital confirmed the recipient was not an inpatient on the date of service. There was no documentation to support one payment.

These 10 errors resulted in an improper payment of \$436.76.

Sacred Arms indicated that there was not adequate parental oversight for aides caring for children and that this potentially contributed to documenting services during an inpatient stay. Sacred Arms stated that services are no longer provided to recipients without adequate oversight.

Duplicate Home Health Aide Services Exception Test

The 134 services examined contained 33 instances in which there was no service documentation to support the payment and one instance in which the units billed exceeded the documented duration. These 34 errors resulted in an improper payment amount of \$1,749.97.

Sacred Arms had no explanation for how duplicate services were billed.

Home Health Aide Services Sample and Waiver Aide Services

The 128 sampled home health aide services examined contained one instance in which the service documentation did not contain a description of the services provided. There were no errors in the waiver aide services. This one error was included in the improper payment amount of \$94.18.

Recommendation

Sacred Arms should develop and implement procedures to ensure that all service documentation and billing practices fully complies with requirements contained in Ohio Medicaid rules. In addition, Sacred Arms should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. Sacred Arms 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 Sacred Arms 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.

C. Authorization to Provide Services (Continued)

We did not test service authorization requirements for the exception tests or waiver aide services.

Home Health Aide Services Sample

The 128 home health aide services examined contained one instance in which the plan of care was not signed by a physician. This error was included in the improper payment amount of \$94.18.

Recommendation

Sacred Arms should establish a system to ensure a signed plan of care is obtained prior to submitting a claim for reimbursement to the Medicaid program. Sacred Arms should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

D. Electronic Visit Verification

Per Ohio Admin. Code § 5160-1-40, Sacred Arms was required to submit EVV data for its home health visits. We compared EVV data for 2020 to all paid services and found more services listed in EVV than was paid to Sacred Arms during the year.

Official Response

Sacred Arms declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



SACRED ARMS, INC.

MAHONING 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 8/11/2022

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