



OHIO AUDITOR OF STATE
KEITH FABER



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**MIDWEST HOMECARE LTD.
SUMMIT COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO SELECT WAIVER SERVICES

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

RE: Midwest HomeCare LTD Ohio Medicaid #: 2509860

We examined Midwest HomeCare LTD (the Provider's) compliance with specified Medicaid requirements for provider qualifications and service documentation related to the two PASSPORT¹ waiver services, homemaker services and personal care services, during the period of July 1, 2014 through June 30, 2017.

The Provider entered into an agreement (the Provider Agreement) with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients and to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Management of Midwest HomeCare LTD is responsible for its compliance with the specified requirements. The accompanying Compliance Examination Report identifies the specific requirements examined. Our responsibility is to express an opinion on the Provider's 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. 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. 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 the Provider's compliance with the specified requirements.

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 Qualified Opinion

Our examination disclosed that in a material number of instances the Provider billed for services rendered by aides that did not meet requirements to render direct care services.

¹ PASSPORT is the acronym for preadmission screening system providing options and resources today.

Midwest HomeCare LTD
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the Provider has complied, in all material respects, with the aforementioned requirements pertaining to provider qualifications and service documentation for the period of July 1, 2014 through June 30, 2017.

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 identified improper Medicaid payments in the amount of \$2,861.87. This finding plus interest in the amount of \$334.64 (calculated as of August 12, 2019) totaling \$3,196.51 is due and payable to the ODM upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the ODM, 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 the Provider, the ODM 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

August 12, 2019

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

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

Ohio Medicaid recipients may be eligible to receive PASSPORT waiver services. Eligible providers of PASSPORT services are certified through the Ohio Department of Aging (ODA). See Ohio Admin. Code § 5160-31-06

The Provider received reimbursement of \$820,066 for 11,725 PASSPORT services including 10,645 personal care services (procedure code PT624) and 1,080 homemaker services (procedure code PT570).

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Midwest HomeCare LTD'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 select PASSPORT services (homemaker and personal Care) for which the Provider billed with dates of services from July 1, 2014 through June 30, 2017 and received payment.

We received the Provider's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We extracted the entire population of eight services – four homemaker (PT570) and four personal care (PT624) for one recipient, where the date of service was after the recipient's date of death.

From the remaining population, we pulled two samples to facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1). For both samples, we applied a 47 percent error rate and 10 percent confidence level (+/-5 percent).

For the first sample, we selected a random sample from the services to two recipients that shared a common address. We used date of service as the sampling unit. The resulting sample size was 284 dates of service. We then obtained the detailed services for the selected dates of service which resulted in a sample of 712 services (148 homemaker and 564 personal care services).

Purpose, Scope, and Methodology (Continued)

We selected a second sample of procedure codes PT570 and PT624, employing a stratified approach to ensure the sample included sufficient representation of both codes. We used service as the sampling unit. The resulting sample size was 377 services (30 homemaker and 347 personal care).

Results

We identified 58 errors and found improper Medicaid payments totaling \$2,861.87. While certain services had more than one error, only one finding was identified per service. The non-compliance and the basis for the findings are described in the below.

PASSPORT Services after Date of Death

We reviewed all eight services billed after a recipient's date of death and confirmed that all eight services were not provided. These eight errors resulted in improper payments of \$222.08.

PASSPORT Shared Address Sample

We reviewed 712 PASSPORT homemaker and personal care services for two recipients with a shared address and found eight services in error. These eight errors resulted in improper payments of \$212.52.

PASSPORT Homemaker and Personal Care Aide Services

We reviewed 30 homemaker and 347 personal care services and found 42 errors. These 42 errors resulted in improper payments of \$2,427.27.

A. Provider Qualifications

Exclusions and Suspension Lists

Per Ohio Admin. Code § 5160-1-17.2, in signing the Medicaid provider agreement, the 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. Ohio Rev. Code § 173.38(E) requires a database review that includes the Office of Inspector General exclusion database to continue to employ an individual in a direct care position.

We compared the names of the individuals that rendered services to the Office of Inspector General exclusion database and the ODM exclusion or suspension list. We tested a total of 77 PASSPORT aides and found no matches on an exclusion or suspension list.

Criminal Background Checks

PASSPORT providers are required to complete criminal record checks per Ohio Admin. Code § 173-39-02, which links to compliance with § 173-9 and Ohio Rev. Code §§ 109.572 and 173.38.

We tested all aides identified in our samples for completion of a criminal background check within the required 65 days of hire. When we noted a conviction of a disqualifying offense, we compared the exclusion period to dates of service rendered by the employee. We identified the following errors:

- 4 aides had convictions that prohibited them from rendering direct service during part of the examination period;
- 1 aide hired during the examination period obtained a background check after the required timeframe; and
- 1 aide had no background check.

A. Provider Qualifications (Continued)

In total we found that six of the aides tested (eight percent) were not compliant with these requirements. We noted that two additional aides hired prior to the examination period did not complete the background check within the required timeframe. We did not identify any errors for these two aides.

PASSPORT Shared Address Sample

The 712 services in this sample were rendered by two aides. We found no errors related to provider qualifications for these two aides.

PASSPORT Homemaker and Personal Care Aide Services

We reviewed 377 services rendered by 75 aides in this sample. We found seven services by an aide who did not meet the required qualifications on the date of service. These seven errors are included in the improper payment amount of \$2,427.27.

Recommendation:

The Provider should review the Ohio Medicaid rules and improve its internal controls to ensure all personnel meet applicable requirements prior to rendering direct care services. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation

For homemaker and personal care services, the Provider shall maintain a record documenting each episode of homemaker and personal care activities provided to the recipient. We tested if service documentation was maintained and included a description of the interventions furnished, the recipient's signature, the provider's arrival and departure times, and the provider's written or electronic signature. See Ohio Admin. Code §§ 173-39-02.11 and 173-39-02.8.

PASSPORT Services after Date of Death

We limited our scope to confirm that the dates of service were prior to the recipient's death. We examined eight services and found the Provider was paid for services that were not provided. The aide had completed service documentation with arrival and departure times; however, the service was not actually provided. These eight errors were included in the improper payment of \$222.08.

PASSPORT Shared Address Sample

We examined 712 services and found six services for which there was no documentation to support the Medicaid payment and two services in which the units billed exceeded documented duration. These eight errors resulted in improper payments of \$212.52.

PASSPORT Homemaker and Personal Care Sample

We examined 377 services and identified the following errors:

- 11 services with no documentation to support the Medicaid payment;
- 11 services with no description of services rendered;
- 6 services where units billed exceeded documented duration;
- 3 services that were not signed by the recipient;
- 2 services with no documented arrival and departure time; and
- 2 services that were not signed by the rendering aide.

B. Service Documentation (Continued)

These 35 errors were included in the improper payment amount of \$2,427.27.

The Provider's service documentation did not always have description of interventions furnished for each unique date of service. Some service documentation contained a checklist of miscellaneous personal care and homemaker services for an entire week, but did not document the specific specific homemaker or personal care services performed on each separate date of service. The 11 errors identified above for lacking description of service contained no description of interventions for the entire week.

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 seek technical assistance from the ODA to ensure that its service documentation meets service documentation requirements. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Official Response

The Provider was afforded an opportunity to respond to this examination report. The Provider declined an exit conference to discuss the results of this examination. The Provider submitted an official response to the results of this examination which is presented in the **Appendix**. We did not examine the Provider's response and, accordingly, we express no opinion on it.

APPENDIX



<https://www.midwesthomecareltd.com>

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August 7, 2019

Mr. Keith Faber, Auditor of State of Ohio
Attn: Kristi Erlewine, Chief Auditor
Medicaid/Contract Audit Section
88 East Broad Street, 9th Floor
Columbus, OH 43215

RE: Midwest Home Care, Ltd.
Medicaid Provider No. 2509860

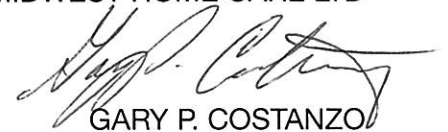
Dear Auditor Faber:

Please allow this letter to serve as our official response to your letter dated July 19, 2019 as it relates to specified Medicaid requirements for provider qualifications and service documentation related to the two PASSPORT waiver services, homemaker services and personal services, during the period of July 1, 2014 through June 30, 2017. Your report has been thoroughly reviewed along with the findings and recommendations. Thank you to your staff for the professional services rendered.

Pursuant to your recommendations Midwest HomeCare LTD has implemented an electronic check-in/check-out system including GPS tracking and has been accredited by and adopted the CHAP Standards of Excellence which supports a customized approach to specific types of care and services. The CHAP Standards of Excellence are approved by the Centers for Medicare and Medicaid Services (CMS) as meeting or exceeding the intent of the 2018 conditions of participation. We are committed to providing the highest level of services to our clients while at all times complying with applicable Ohio Medicaid laws and regulations.

Respectfully submitted,

MIDWEST HOME CARE LTD



GARY P. COSTANZO
CEO/Executive Director

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OHIO AUDITOR OF STATE KEITH FABER



MIDWEST HOMECARE LTD

SUMMIT 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
AUGUST 27, 2019**