



OHIO AUDITOR OF STATE
KEITH FABER



**DIAMONDS & PEARLS HEALTH SERVICES LLC
CUYAHOGA COUNTY**

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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 AND WAIVER AIDE SERVICES

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

RE: Diamonds & Pearls Health Services LLC
 Ohio Medicaid Number: 2439614 NPI: 1609850858

We examined Diamonds & Pearls Health Services LLC (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of home health aide services and service documentation and provider qualifications related to the provision of personal care aide services during the period of January 1, 2017 through December 31, 2017.

In addition, when other aide or personal care/homemaker services were provided on the same date as sampled home health aide or personal care aide service, we tested the additional services for compliance with select requirements. We also examined waiver nursing and private duty nursing services to a recipient that received more than 24 hours of care in one day. Finally, we tested instances in which another Ohio Medicaid provider was paid for the same recipient, service date and procedure code.

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 Diamonds & Pearls Health Services LLC 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 Adverse Opinion

Our examination disclosed material non-compliance with aides that did not meet the qualifications to render waiver aide services, with services billed for which the Provider lacked supporting documentation and with home health services that were not authorized by complete and signed plans of care.

Adverse Opinion on Compliance

In our opinion, the Provider has not complied, in all material respects, with the aforementioned requirements of home health aide and personal care aide services for the period of January 1, 2017 through December 31, 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 \$6,197.90. This finding plus interest in the amount of \$640.17 (calculated as of May 20, 2021) totaling \$6,838.07 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 In addition, if fraud, waste and abuse¹ are suspected or apparent, the ODM and/or the office of the attorney general will take action to gain compliance and recoup inappropriate or excess payments in accordance with rule 5160-1-27 of the Administrative Code.

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

May 20, 2021

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

Ohio Medicaid recipients may be eligible to receive home health services, waiver services or both. According to Ohio Admin. Code § 5160-12-01(E), the only provider of home health services is a Medicare certified home health agency (MCHHA) that meets the requirements in accordance with Ohio Admin. Code § 5160-12-03. Waiver services can be provided by a person or agency that has entered into a Medicaid Provider Agreement for the purposes of furnishing these services.

The Provider is a MCHHA and received payment of \$862,760 under the provider number examined for 16,309 home health and waiver services².

The owners of Diamonds & Pearls Health Services LLC also own Diamonds and Pearls Residential Care Homes, Inc., Medicaid provider numbers 2357980 and 3069781, which were active during our examination period and received payment of \$100,312³ for waiver services. We tested a select number of payments associated with these numbers as specified below. There is also a third Medicaid provider number (0328412) for Diamonds and Pearls Residential Care Homes, Inc. which became active after our examination period.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider'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 less claims previously recouped by ODM as specified below for which the Provider billed with dates of service from January 1, 2017 through December 31, 2017 and received payment.

We obtained the Provider's fee-for-service claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We requested paid claims data from three Medicaid managed care organizations (MCOs) for the Provider's NPI number. The MCO's claims data obtained showed that the services were paid to the Provider's NPI number; however, we noted the claims data from Buckeye and CareSource contained services that were paid to the tax identification number of Diamond and Pearls Residential Care Homes, Inc. (Residential Care Homes).

From the combined fee-for-service and managed care population, we removed denied claims and services paid at zero.

² Totals reported include fee-for-service payments of \$561,560 and managed care payments of \$307,983 from the following Medicaid managed care organizations: Buckeye Health Plan, CareSource and United HealthCare.

³ Payment data from the Medicaid Information Technology System using provider number in the query.

Purpose, Scope, and Methodology (Continued)

During planning, we noted instances in which other MCHHAs were paid by Ohio Medicaid for the same recipient, service date and procedure code as the Provider. In order to test a selection of these services, we summarized the unique recipients that received services during the examination period and searched the claims history for services reimbursed to any other MCHHA for these recipients during our examination period. There were 70 services in which the Provider was paid for the same recipient, service date and procedure code as three other MCHHAs. We judgmentally selected one agency and 10 recipient dates of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. We requested documentation from Northeast Home Health Services, LLC (provider number 0107987) for the applicable 10 RDOS (Multiple Service Providers Exception Test).

We then identified and selected the one RDOS with greater than 96 units in a day to examine in its entirety (Recipient with Greater than 96 Units a Day Exception Test).

From the remaining population, we extracted all home health aide (G0156) and personal care aide (T1019) services into separate files. We summarized each file by RDOS. We used a statistical sampling approach to examine services and facilitate a timely and efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1). We selected a simple random sample from each of these files. If other aide or homemaker/personal care services were provided on the sampled RDOS, we included those services in our testing. The personal care aide services examined were to recipients on the Ohio Home Care or MyCare Ohio Waivers.

The exception test and calculated sample sizes for services paid to Diamonds & Pearls Health Services LLC are shown in **Table 1**.

Table 1: Exception Tests and Sample Sizes			
Universe	Population Size	Sample Size	Selected Services
Exception Tests			
Recipient with Greater than 96 Units in a Day (T1000, T1003)	6		6
Multiple Service Providers (T1019)	70		10
Samples			
Home Health Aide Services (G0156) with additional aide services (same day)	5,070 RDOS	89 RDOS	114
Personal Care Aide Services (T1019) with additional aide services (same day)	3,533 RDOS	94 RDOS	145
Total		183 RDOS	275

In addition, we tested six personal care aide services that were paid to the tax identification for Residential Care Homes.

A notification 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 billing process. During fieldwork, we reviewed service documentation and personnel records. We then sent preliminary results to the Provider and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of our fieldwork.

Results

The summary results of the compliance examination for Diamonds & Pearls Health Services LLC are shown in **Table 2**. While certain services had more than one error, only one finding was made per service. The noncompliance and basis for the finding is discussed below in further detail.

Table 2: Results				
Universe	Services Examined	Non-compliant Services	Non-compliance Errors	Improper Payment
Exception Tests				
Recipient with Greater than 96 Units in a Day	6	3	3	\$162.80
Multiple Service Providers	10	0	0	\$0.00
Samples				
Home Health Aide Services with additional aide services (same day)	114	59	69	\$2,359.16
Personal Care Aide Services with additional aide services (same day)	145	65	66	\$3,514.42
Total	275	127	138	\$6,036.38

We also noted three out of the six personal care aide services paid to Residential Care Homes lacked documentation to support the payment which resulted in an additional improper payment of \$161.52.

With the three errors in the Residential Care Homes' services, the total improper payment is **\$6,197.90**.

A. Provider Qualifications

Exclusion or Suspension List

Per Ohio Admin. Code § 5160-1-17.2(H), 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.

We identified 48 aides in the service documentation for the selected services and compared their names to the Office of Inspector General exclusion database and the ODM's exclusion or suspension list. We found no matches on the exclusion or suspension list. We also compared identified administrative staff names to the exclusion or suspension list and 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 this 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(B) and 5160-58-04(C)

Eleven of the 29 personal care aides (38 percent) did not have the required first aid certification for all or part of the examination period. Specifically, six aides rendered service prior to obtaining first aid certification or rendered services after the certification lapsed and five aides had no first aid certification.

A. Provider Qualifications (Continued)

Personal Care Aide Services Sample

The 127 personal care aide services included in the sample contained 24 services (18 percent) rendered by aides who did not meet the first aid certification requirement on the date of service. These errors are included in the improper payment of \$3,514.42.

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 issue to ensure compliance with Medicaid rules and avoid future findings.

B. Service Documentation

The MCHHA 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 the recipient or authorized representative verifying the service delivery upon completion of service delivery. See Ohio Admin. Code §§ 5160-46-04(B)(8) and 5160-58-04

For errors where the number of units billed exceeded the documented duration, the improper payment was based on the unsupported units.

Recipient with Greater than 96 Units a Day Exception Test

The six services included in this exception tests included private duty (T100) and waiver nursing services (T1003) to one recipient. We found the three payments for waiver nursing services lacked documentation to support the payment. These three errors resulted in an improper payment of \$162.80.

Multiple Service Providers Exception Test

We obtained service documentation from Northeast Home Health Services, LLC for the services in which it received Ohio Medicaid reimbursement for the same recipient, service date and procedure code as the Provider. We compared times of service delivery and found no overlapping services or other errors.

Home Health Aide Services Sample

The 90 home health aide services in the sample contained 12 instances in which there was no documentation to support the payment and four instances in which the units billed exceeded the documentation duration. These 16 errors resulted in an improper payment of \$1,580.71.

Additionally, there were 24 other aide or homemaker/personal care services (procedure codes T1019, PT624 and PT570) billed on the same day as the 90 sampled home health aide services. We found 19 of these services (79 percent) lacked documentation to support the payment. These 19 errors resulted in an improper payment of \$778.45.

The total improper payment for the home health and additional aide services is \$2,359.16.

B. Service Documentation (Continued)

Personal Care Aide Services Sample

The 127 personal care aide services in the sample contained the following errors:

- 32 instances in which there was no documentation to support the payment;
- 1 instance in which the service documentation was not signed by the recipient or authorized representative; and
- 1 instance in which a single shift was billed as two separate shifts resulting in an overpayment.

These 34 errors are included in the improper payment of \$3,209.64

Additionally, there were 18 other aide (procedure code G0156) services billed on the same day as the 133 sampled personal care aide services. We found eight of these services (44 percent) lacked documentation to support the payment. These eight errors resulted in the improper payment of \$304.78.

The total improper payment for the personal care aide sample and additional aide services is \$3,514.42.

There were also three personal care aid services paid to Residential Care Homes that lacked documentation to support the payment resulting in an improper payment of \$161.52.

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 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 limited our testing of service authorization to the home health aide sample.

Home Health Aide Services Sample

The 90 home health aide services in the sample contained the following errors:

- 17 instances in which the plan of care was not signed by a physician;
- 13 instances in which there was no plan of care to support the service; and
- 4 instances in which the service was not authorized on the plan of care.

These 34 errors are included in the improper payment amount of \$1,580.71.

Recommendation

The Provider should establish a system to ensure the signed plans of care are obtained prior to submitting claim for services to the ODM. The Provider should also ensure that services being rendered are consistent with the approved plan of care and should not bill Ohio Medicaid for services not authorized. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

Diamonds & Pearls Health Services LLC
Cuyahoga County
Independent Auditor's Report on
Compliance with Requirements of the Medicaid Program

Official Response

The Provider responded that it has taken steps to correct the identified non-compliance including improvements to receive signed plans of care, an improved process for timely renewal of first aid and CPR certifications and obtaining an electronic medical record software to capture timesheets and visits more accurately.

We did not examine the Provider's response and, accordingly, we express no opinion on it.

OHIO AUDITOR OF STATE KEITH FABER



DIAMONDS & PEARLS HEALTH SERVICES LLC

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 6/15/2021

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