



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 SERVICES

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

RE: Independent Home Care Inc.
Ohio Medicaid Number: 2450753

National Provider Identifier: 1336225960

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of select home health services during the period of January 1, 2020 through December 31, 2022 for Independent Home Care Inc. (Independent). We tested the following services:

- All instances in which more than 24 hours of service was billed for a recipient in a day;
- A sample of home health aide services and any additional services for the same recipient on the same day as the sampled services;
- A sample of personal care aide services and any additional services for the same recipient on the same day as the sampled services; and
- A sample of registered nursing (RN) services.

Independent 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 Independent 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 Independent'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 (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Independent complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Independent 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 Independent 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 modified opinion. Our examination does not provide a legal determination on Independent's compliance with the specified requirements.

Internal Control over Compliance

Independent 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 Independent's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, plans of care for sampled home health aide services were not signed by a physician.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Independent has complied, in all material respects, with the select requirements of home health services for the period of January 1, 2020 through December 31, 2022.

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 Independent's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$797.82. This finding plus interest in the amount of \$105.09 (calculated as of October 9, 2024) totaling \$902.91 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 per Ohio Admin. Code 5160-1-27.

This report is intended solely for the information and use of Independent, 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

October 29, 2024

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

Independent is a Medicare certified home health agency (MCHHA) that received payment of over \$23.2 million under the provider number examined for approximately 445,000 home health and waiver services.¹ Independent has one location in Columbus, Ohio.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Independent'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 services, as specified below, for which Independent billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained Independent's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed all services paid at zero, co-payments, third party payments, Medicare crossover claims and managed care encounters. From the total paid services population, we selected the following services:

- All instances in which more than 24 hours of services were billed for a recipient in a day (Recipient with More than 24 Hours of Services Exception Test);
- A sample of home health aide services and any additional services on the same recipient date of service (RDOS)² as the sampled services (Home Health Aide Services Sample);
- A sample of personal care aide services and any additional services on the same RDOS as the sampled services (Personal Care Aide Services Sample); and
- A sample of RN services (RN Services Sample).

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

Table 1: Exception Test and Samples			
Universe	Population Size	Sample Size	Selected Services
Exception Test			
Recipient with More than 24 Hours of Services ¹			10

¹ Payment data from the Medicaid Information Technology System.

² A RDOS is defined as all services for a given recipient on a specific date of service.

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Table 1: Exception Test and Samples (Continued)			
Universe	Population Size	Sample Size	Selected Services
Samples			
Home Health Aide Services (G0156)	32,550 RDOS	77 RDOS	84
Additional Services ²			<u>60</u>
Total for Home Health Aide and Additional Services			144
Personal Care Aide Services (T1019)			114
Additional Services ³			<u>28</u>
Total for Personal Care Aide and Additional Services	18,157 RDOS	77 RDOS	142
RN Services (G0299)	18,556 RDOS	60 RDOS	79
Total			375

¹ These services consisted of home health aide (G0156) and licensed practical nursing (LPN) (G0300).

² These services consisted of personal care (PT624), RN nursing (G0299) and LPN nursing (G0300).

³ These services consisted of RN nursing (G0299), LPN nursing (G0300), physical therapy (G0151), occupational therapy (G0152) and RN assessments (T1001).

A notification letter was sent to Independent setting forth the purpose and scope of the examination. During the entrance conference, Independent described its documentation practices and billing process. During fieldwork, we obtained an understanding of the electronic health record system used, reviewed service documentation and verified professional licensure. We sent preliminary results to Independent 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 Test				
Recipient with More than 24 Hours of Services	10	2	2	\$149.86
Samples				
Home Health Aide Services	84	11	11	\$371.43
Additional Services	<u>60</u>	<u>3</u>	<u>3</u>	<u>\$142.20</u>
Total Home Health Aide and Additional	144	14	14	\$513.63
Personal Care Aide Services	114	3	3	\$84.04
Additional Services	<u>28</u>	<u>0</u>	<u>0</u>	<u>\$0.00</u>
Total Personal Care Aide and Additional	142	3	3	\$84.04
Nursing Services	79	1	1	\$50.29
Total	375	20	20	\$797.82

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 90 practitioners 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's names to the same database and exclusion/suspension list. We found no matches.

Nursing and Skilled Therapy Services

Per Ohio Admin. Code 5160-12-01(G), home health nursing and skilled therapy services require the skills of and be performed by a licensed practitioner. Based on the e-License Ohio Professional Licensure System, the licenses for all 18 nurses and four skilled therapists were current and valid on the first date found in our selected services and were valid during the remainder of the examination period.

Personal Care Aide Services

Per Ohio Admin. Code 5160-46-04(A)(7), a MCHHA will ensure that personal care aides obtain and maintain first aid certification. We obtained first aid certificates from Independent. All 29 personal care aides had the required first aid certification for the selected dates of service.

B. Service Documentation

Per Ohio Admin. Code 5160-12-03(B)(9), 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.

For personal care 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 signatures of the provider verifying the service delivery upon completion of service delivery in accordance with Ohio Admin. Code 5160-46-04(A), 5160-31-05(B) and 173-39-02.11(C)(6)(b).

We obtained service documentation from Independent 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 units billed exceeded documented duration, the improper payment was based on the unsupported units.

Recipient with More than 24 Hours of Services Exception Test

The 10 services examined consisted of six home health aide services (24 hours) and four LPN nursing services (4 hours) for one RDOS. There was no documentation to support two home health aide services (8 hours). These two errors resulted in an improper payment of \$149.86.

Home Aide Services Sample

All 84 sampled services examined were supported by documentation that contained the required elements. The 60 additional services examined contained one instance in which there was no documentation to support the service. This error is included in the improper payment of \$513.63.

B. Service Documentation (Continued)

Personal Care Aide Services Sample

The 114 sampled services examined contained two instances in which the units billed exceeded the documented duration and one instance in which there was no documentation of the tasks performed. These three errors resulted in an improper payment amount of \$84.04. All 28 additional services examined were supported by documentation that contained the required elements.

RN Services Sample

The 79 sampled services examined contained one instance in which an LPN service was billed as an RN service which resulted in an overpayment. This error resulted in an improper payment amount of \$50.29.

Recommendation

Independent 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, Independent should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. Independent 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)³ to create a plan of care for state plan recipients indicating the type of services to be provided to the recipient.

We obtained plans of care from Independent and confirmed if there was a plan of care that covered the selected date of service, authorized the type of service, and was signed by a physician. We limited our testing of service authorization to the sampled home health aide services and additional state plan services billed on the same RDOS as the sampled services.

Home Health Aide Services Sample

The 84 sampled services examined contained 11 instances in which the plan of care was not signed by a physician. An additional 60 services on the same RDOS as the sampled services were examined which contained 12 state plan services and 48 waiver services. The additional 12 state plan services examined contained two instances in which the plan of care was not signed by a physician. These 13 errors are included in the improper payment of \$513.63.

We also noted 29 instances in which the plan of care was signed after the service was submitted for reimbursement. Per Ohio Admin. Code 5160-12-03(B)(9), all documentation must be completed prior to billing for services provided. The number of days between the plan of care signature date and billed date ranged from one to 435, with an average of 75 days.

Recommendation

Independent should establish a system to ensure that plans of care authorizing the service are obtained prior to submitting claims for services to the Department. Independent should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

³ This rule refers to the Medicare Benefit Policy Manual which requires that the plan of care be signed by the recipient's treating physician.

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Official Response

Independent declined to submit an official response to the results noted above.

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INDEPENDENT HOME CARE INC.

FRANKLIN 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 11/14/2024

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This report is a matter of public record and is available online at
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