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**PAMALA K. GAYHEART, LPN
LICKING COUNTY, OHIO**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO PRIVATE DUTY AND WAIVER NURSING SERVICES

Pamala K. Gayheart, LPN
9363 Wilkins Run Road NE
Newark, Ohio 43055

Dear Ms. Gayheart:

We examined your (the Provider's) compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of private duty and waiver nursing services during the period of January 1, 2012 through December 31, 2014. We confirmed your licensure status and the licensure status of your supervising registered nurse (RN) during the examination period. We tested service documentation to verify that there was support for the date of service, the procedure code, and the units billed to and paid by Ohio Medicaid. In addition, we tested your service documentation to determine if it contained the required elements and reviewed plans of care and all services plans to determine if you were appropriately authorized. The accompanying Compliance Examination Report identifies the specific requirements examined.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients (the Provider Agreement). The Provider Agreement outlines the responsibility to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, and the regulations and policies set forth in the Medicaid Handbook including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Therefore, the Provider is responsible for complying with the requirements and laws outlined by the Medicaid program.

Auditor's Responsibility

Our responsibility is to express an opinion and report on the Provider's compliance with the specified Medicaid requirements based on our examination. Our examination was performed under our authority in Section 117.10 of the Ohio Revised Code and conducted in accordance with American Institute of Certified Public Accountants' attestation standards and, accordingly, included examining, on a test basis, evidence supporting the Provider's compliance with those Medicaid requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on the Provider's compliance with the specified Medicaid requirements.

Internal Control Over Compliance

The Provider is responsible for establishing and maintaining effective internal control over compliance with the specified Medicaid requirements referred to above. 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 in one exception test, the Provider did not bill the correct procedure code for services rendered.

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 service documentation, service authorization and provider qualifications for the period of January 1, 2012 through December 31, 2014.

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.

This report is intended solely for the information and use of the Ohio Department of Medicaid, the Ohio Attorney General's Office, the U.S. Department of Health and Human Services, and other regulatory and oversight bodies, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

November 28, 2016

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

Home care nursing services under Ohio Medicaid may include private duty nursing services. The private duty nurse furnishes services upon receipt of written authorization. See Ohio Admin. Code § 5160-12-02.3(B) In addition, private duty nursing services must be provided and documented in accordance with the recipient's plan of care, which is a medical treatment plan that is established, approved and signed by the treating physician. The plan of care must be signed and dated by the treating physician prior to requesting reimbursement for a service. See Ohio Admin. Code § 5160-12-02(B)

This Provider is a licensed practical nurse (LPN) who rendered services to one recipient on an Ohio transitions developmental disabilities waiver. The Provider was formerly known as Pamala K. Zuver, LPN. The Provider's Medicaid number is 2610553 and during our examination period received reimbursement of \$279,082.18 for 1,561 private duty nursing services (procedure code T1000) and four LPN services (procedure code T1003) provided on 963 recipient dates of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid claims for reimbursement 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 an examination of private duty nursing and waiver nursing services the Provider rendered to one Medicaid recipient during the period of January 1, 2012 through December 31, 2014 and received payment.

We received the Provider's claims history from the Medicaid Information Technology System (MITS) database of services billed to and paid by Ohio's Medicaid program. We removed all services with a paid amount of zero. From this population we extracted four services in which procedure code T1003 (LPN services) was billed to review in their entirety as an exception test. We noted that the Provider only billed procedure code T1003 in these four instances. The remaining subpopulation consisted of services billed with procedure code T1000 (private duty nursing). We split this subpopulation into two files; one with 16 or less units billed per service and one billed with greater than 16 units per service. We tested all 63 services billed with 16 or less units in their entirety as an exception test. We noted that per an All Services Plan the Provider was instructed to bill services with 16 or fewer units using procedure code T1003. From the file of services billed with greater than 16 units per service we selected a simple random by RDOS. We then obtained the detailed services for the 369 sampled RDOS which resulted in a sample size of 581 services to facilitate a timely and efficient examination of the Provider's services as permitted by Ohio Admin. Code § 5160-1-27(B)(1).

Purpose, Scope, and Methodology (Continued)

An engagement letter was sent to the Provider setting forth the purpose and scope of the examination. During the entrance conference the Provider described her documentation practices, procedures for obtaining plans of care and all services plans, and process for submitting billing to the Ohio Medicaid program. Our field work was performed following the entrance conference.

Results

Exception Test 1 – Services Billed with Procedure Code T1003

We reviewed four services and found no errors.

Exception Test 2 – Services with 16 or Fewer Units

We reviewed 63 services and found that all were billed with an incorrect procedure code.

Statistical Sample

We reviewed 581 services and found no errors.

A. Provider Qualifications & Supervision

According to Ohio Admin. Code § 5101:3-12-02(A)¹, private duty nursing requires the skills of and is performed by either an registered nurse (RN) or a licensed practical nurse (LPN) at the direction of an RN. According to Ohio Admin. Code § 5101:3-47-04(A)(1), all nurses providing waiver nursing services must possess a current, valid and unrestricted license with the Ohio board of nursing.

In addition, a non-agency LPN, providing waiver nursing services at the direction of an RN, must conduct a face-to-face visit with the directing RN every 60 day and with the recipient and the directing RN every 120 days. The LPN must have clinical notes, signed and dated by the LPN documenting the face-to-face visit between the LPN and the directing RN and the face-to-face visits between the LPN, the recipient and the directing RN. See Ohio Admin. Code § 5101:3-47-04(A)(5)

We verified through the Ohio e-License Center that the Provider and her supervisor were licensed through the Ohio Board of Nursing as an LPN and RN, respectively, and that their licenses were in active status during our examination period.

The Provider submitted "Supervisory Visit Note" forms as evidence that she worked under the direction of an RN. We noted forms dated approximately every 60 days during our examination period. The recipient's authorized representative was present for every meeting.

B. Service Documentation

Per Ohio Admin. Code § 5101:3-12-03.1, non-agency nurses are required to comply with Ohio Admin. Code § 5101:3-12-03 which requires documentation on all aspects of services provided including time keeping records that indicate the date and time span of the services provided during a visit and the type of service provided.

¹ Per Section 323.10.70 of Am. Sub. H. B. 59 of the 130th General Assembly, the Legislative Services Commission renumbered the rules of the Office of Medical Assistance within the Department of Job and Family services to reflect its transfer to ODM. The renumbering became effective on October 1, 2013.

B. Service Documentation (Continued)

All waiver nursing service providers must maintain a clinical record for each recipient. Clinical notes should contain documentation of tasks performed or not performed, arrival and departure times and the dated signatures of the provider and recipient or authorized representative. See Ohio Admin. Code § 5101:3-47-04(A)(6)

We reviewed service documentation to support services in the two exception tests and in the statistical sample and found no errors.

C. Authorization to Provide Services

Plan of Care

According to Ohio Admin. Code § 5101:3-12-02(B)(2), private duty nursing service must be provided and documented in accordance with the recipients plan of care. In addition, in order to submit a claim for reimbursement for waiver nursing services, the LPN at the direction of the RN, must be identified as the provider on, and be performing nursing services pursuant to the recipient's plan of care. See Ohio Admin. Code § 5101:3-47-04(A)(4)

We reviewed the plans of care in effect during the examination period. Each plan of care authorized nursing services, listed the scope, frequency and duration, was signed and dated by the treating physician, and identified the Provider as a rendering provider. In addition, the Provider obtained signed plans of care prior to submitting a claim for reimbursement.

All Services Plans

Ohio Admin. Code § 5101:3-47-04(A)(4) states that the Provider must be identified on the recipient's all services plan and have specified the number of hours for which the provider is authorized to furnish waiver nursing services to the recipient.

We reviewed the all services plans in effect during the examination period and found that the Provider was authorized to render services on each of the all services plans.

D. Billing Codes

Ohio Admin. Code § 5101:3-12-02(A) states that private duty nursing is a continuous visit that is more than four hours (more than 16 units) but less than or equal to 12 hours (48 units).

We identified no errors in the statistical sample.

Exception Test 2 – Services with 16 or Fewer Units

Our review identified 63 nursing services that were four hours or less in duration and were billed as Private Duty Nursing (procedure code T1003). These services should have been billed as waiver nursing services (procedure code T1003). We determined that these 63 instances of using an incorrect procedure code did not result in an overpayment by the Medicaid program.

In addition, the all services plans in effect from January 1, 2012 through November 14, 2013 indicated that all shifts billed to state plan private duty nursing will include the U5 modifier. According to Ohio Admin. Code § 5101:3-12-01(H), this modifier indicates that all conditions of Healthchek are met. The use of this modifier does not result in any reimbursement differential.

D. Billing Codes (Continued)

We noted that the Provider did not bill for services in the manner dictated by the all services plans. We found no services in any of our tests, which occurred during the aforementioned period, that were billed with the U5 modifier.

Recommendation

The Provider should review her billing procedures and ensure the correct code and modifiers are billed. The Provider should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

Provider Response:

A draft report was sent to the Provider on December 16, 2016, and the Provider was afforded an opportunity to respond to this examination report. The Provider declined an exit conference to discuss the draft report and also declined to submit an official response to the results noted above.



Dave Yost • Auditor of State

PAMALA GAYHEART

LICKING 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
JANUARY 12, 2017**