



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: Merciful Healthcare Services LLC
Ohio Medicaid Number: 0180846

National Provider Identifier: 1750705448

We examined compliance with specified Medicaid requirements for provider qualifications, service documentation and service authorization related to the provision of select home health and waiver services as listed below during the period of January 1, 2020 through December 31, 2022 for Merciful Healthcare Services LLC (Merciful). We tested the following services:

- All instances in which services were billed during a potential inpatient hospital stay;
- Ten dates of service (DOS) for recipients with services at the same address;
- A sample of home health registered nursing (RN) services;
- A sample of home health aide services and any additional aide services billed on the same day as the sampled services; and
- A sample of personal care aide services and any additional aide service billed on the same day as the sampled services.

Merciful 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 Merciful 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 Merciful'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 Merciful complied, in all material respects, with the specified requirements referenced above. We are required to be independent of Merciful 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 Merciful 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 Merciful's compliance with the specified requirements.

Internal Control over Compliance

Merciful 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 Merciful's internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed, in a material number of instances, the following noncompliance:

- Merciful had no documentation or the units billed exceeded documented duration for the sampled RN services;
- Merciful billed group services for the sampled recipients at the same address without the required HQ modifier; and
- Merciful submitted documentation with time in and out and activities performed on dates in which the recipient was in the hospital and the service could not have been rendered.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Merciful has complied, in all material respects, with the select requirements of the selected 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 Merciful's compliance with other requirements.

We identified improper Medicaid payments in the amount of \$1,141.52. This finding plus interest in the amount of \$146.83 (calculated as of May 13, 2025) totaling \$1,288.35 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 Merciful, 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 3, 2025

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).

Merciful is a Medicare certified home health agency (MCHHA) located in Columbus, Ohio. Merciful received payment of approximately \$4.8 million under the provider number examined for over 109,000 home health and waiver services.¹ Merciful had a second provider number (0402734) which became inactive during our examination period. This provider number is not included in the scope of our examination as there were no payments under this provider number.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Merciful'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 Merciful billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained Merciful's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We also obtained paid claims data from one Medicaid managed care entity (MCE) and confirmed the services were paid to Merciful's tax identification number. We removed all services paid at zero, third-party payments, co-payments, adjustments and Medicare crossover claims. The scope of our examination included testing procedures related to select services as identified in the Independent Auditor's Report.

Table 1 contains the home health and waiver procedure codes selected for this examination.

| Table 1: Home Health and Waiver Services | |
|--|--------------------------------------|
| Procedure Code | Description |
| G0153 | State Plan Speech–Language Pathology |
| G0156 | State Plan Home Health Aide |
| G0299 | State Plan Home Health RN Nursing |
| MR940 | Waiver Homemaker Personal Care |
| T1019 | Waiver Personal Care Aide |

Source: Appendix to Ohio Admin. Code 5160-12-05, 5123-9-30 and 5160-46-06

The exception test and calculated sample sizes are shown in **Table 2**.

¹ Payment data from the Medicaid claims database.

Purpose, Scope, and Methodology (Continued)

| Table 2: Exception Test and Samples | | | |
|---|-------------------------|--------------------|--------------------------|
| Universe | Population Size | Sample Size | Selected Services |
| Exception Test | | | |
| Services During a Potential Inpatient Stay ¹ | | | 25 |
| Samples | | | |
| Shared Address (G0156, G0299 and T1019) | 212 DOS | 10 DOS | 52 |
| RN Nursing Services (G0299) | 2,867 RDOS ² | 60 RDOS | 76 |
| Home Health Aide Services (G0156) | 46,965 RDOS | 60 RDOS | 94 |
| Additional Aide Services (T1019 & MR940) | | | <u>24</u> |
| Total Home Health Aide and Additional Services | | | 118 |
| Personal Care Aide Services (T1019) | 19,088 RDOS | 60 RDOS | 70 |
| Additional Aide Services (G0156) | | | <u>52</u> |
| Total Personal Care Aide and Additional Services | | | 122 |
| Total | | | 697 |

¹ These services consisted of G0153, G0156, G0299 and T1019.

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

A notification letter was sent to Merciful setting forth the purpose and scope of the examination. During the entrance conference, Merciful described its documentation practices and billing process. During fieldwork, we obtained and reviewed service documentation. We sent preliminary results to Merciful, and it subsequently submitted additional documentation which we reviewed for compliance prior to the completion of fieldwork.

Results

The summary results are shown in **Table 3**. The non-compliance and basis for findings is discussed below in further detail.

| Table 3: Results | | | | |
|--|--------------------------|-------------------------------|------------------------------|-------------------------|
| Universe | Services Examined | Non-compliant Services | Non-compliance Errors | Improper Payment |
| Exception Test | | | | |
| Services During a Potential Inpatient Stay | 25 | 11 | 11 | \$374.87 |
| Samples | | | | |
| Shared Address | 52 | 13 | 13 | \$232.55 |
| RN Nursing Services | 76 | 13 | 13 | \$379.89 |
| Home Health Aide Services | 94 | 3 | 3 | \$90.23 |
| Additional Aide Services | <u>24</u> | <u>0</u> | <u>0</u> | <u>\$0.00</u> |
| Total Personal Care Aide and Additional | 118 | 3 | 3 | \$90.23 |
| Personal Care Aide Services | 70 | 1 | 1 | \$16.84 |
| Additional Aide Services | <u>52</u> | <u>2</u> | <u>2</u> | <u>\$47.14</u> |
| Total Personal Care Aide and Additional | 122 | 3 | 3 | \$63.98 |
| Total | 697 | 43 | 43 | \$1,141.52 |

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 69 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 and administrative staff names to the same database and exclusion/suspension list. We found no matches.

Nursing Services

Per Ohio Admin. Code 5160-12-01(G), home health nursing 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 seven nurses 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. All of the personal care aides examined had valid first aid certification on the examined 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 waiver personal care services, the provider must maintain all required documentation including, but not limited to, documentation of tasks performed or not performed and arrival and departure times in accordance with Ohio Admin. Code 5160-40-01(F), 5123-9-30(E), 5160-46-04(A) and 5160-58-04(C).

We obtained service documentation from Merciful and compared it to the required elements. We also compared units billed to documented duration and compared services by recipient and rendering practitioner to identify any overlapping services. For errors where the number of units billed exceeded documented duration, the improper payment was based on the unsupported units. For errors where the service was billed without the appropriate modifier, the improper payment was based on the difference in the payment and the modified rate.

Services During a Potential Inpatient Stay Exception Test

The 25 services examined consisted of six recipients in which the reported service date occurred during a potential inpatient hospital stay. We requested verification from the rendering hospitals to confirm dates of admission and discharge for each of the recipients. The rendering hospital for four of the recipients did not respond to our request for confirmation; therefore, we were unable to determine whether those 16 services were billed during a hospital stay. For two of these services, Merciful did not have documentation to support the payment.

B. Service Documentation (Continued)

We obtained verification from the rendering hospitals for the two remaining recipients which confirmed the recipient was inpatient on the selected date of service. We determined Merciful billed for nine services it did not render as the hospital confirmed the recipient was inpatient on the date of service.

These 11 errors resulted in the improper payment amount of \$374.87.

Shared Address Sample

In accordance with Ohio Admin. Code 5160-12-04(D)(3), a "group visit" is a visit where the service is provided to more than one person. During a group visit, a modifier HQ must be used when billing to identify each group setting. The amount of reimbursement will be 75 percent of the total Medicaid maximum per Ohio Admin. Code 5160-12-05(D).

The 52 services examined consisted of 10 DOS in which two recipients received services on the same day at the same address. These 52 services examined contained two instances in which there was no documentation to support the service and 11 instances in which a group service was rendered by the same practitioner but was not billed with the required HQ modifier. These 13 errors resulted in an improper payment amount of \$232.55.

RN Nursing Services Sample

The 76 services examined contained four instances in which there was no documentation to support the service, three instances in which the service was billed with an RN modifier; however, was rendered by an LPN which resulted in an overpayment and six instances in which the units billed exceeded the documented duration. These 13 errors resulted in an improper payment of \$379.89.

Home Health Aide Services Sample

The 94 sampled services examined contained three instances in which there was no documentation to support the payment. These three errors resulted in the improper payment of \$90.23.

All 24 additional aide services examined were supported by documentation that contained the required elements.

Personal Care Aide Services Sample

The 70 sampled services examined contained one instance in which the units billed exceeded the documented duration. This error resulted in an improper payment of \$16.84.

The 52 additional aide services examined contained two instances in which there was no documentation to support the service. These two errors resulted in an improper payment of \$47.14.

Recommendation

Merciful 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, Merciful should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. Merciful 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)² 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 Merciful for the sampled home health aide services and confirmed all 94 services were supported by a plan of care that covered the selected service date, authorized the type of service, and was signed by a physician.

We limited our testing of service authorization to the services noted above.

Official Response

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

² This rule refers to the Medicare Benefit Policy Manual which requires that the plan of care be signed by the recipient's treating physician.

OHIO AUDITOR OF STATE KEITH FABER



MERCIFUL HEALTHCARE SERVICES LLC

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 6/17/2025

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