



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 SERVICES

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

RE: Mercy Home Health Services LLC
Ohio Medicaid Number: 0100282

National Provider Identifier: 1669737128

We were engaged to examine 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 Mercy Home Health Services LLC (Mercy). We tested select payments in which a service was billed during a potential inpatient hospital stay and a sample of state plan home health aide services and all additional aide services on the same recipient date of service (RDOS)¹ as the sampled services.

Mercy 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. Mercy is responsible for its compliance with the specified requirements. The Compliance Section of this report identifies the specific requirements included in the engagement.

Internal Control over Compliance

Mercy is responsible for establishing and maintaining effective internal controls 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 Mercy's internal controls over compliance.

Basis for Disclaimer of Opinion

Our examination found material noncompliance as Mercy lacked documentation and plans of care to support the sampled state plan home health aide services.

In addition, attestation standards established by the American Institute of Certified Public Accountants require that we request a written statement from Mercy confirming, to the best of their knowledge and belief, their representations made to us during the course of our examination. We requested that Mercy provide such a statement but Mercy declined to do so.

¹ RDOS is defined as all services for a recipient on a specified date of service.

Disclaimer of Opinion

Our responsibility is to express an opinion on Mercy's compliance with select Medicaid requirements based on conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on Mercy's compliance with the specified Medicaid requirements for the period of January 1, 2020 through December 31, 2022.

We identified improper Medicaid payments in the amount of \$661,717.37. This finding plus interest in the amount of \$98,577.76 (calculated as of February 10, 2025) totaling \$760,295.13 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 in accordance with Ohio Admin. Code 5160-1-27. If waste and abuse are suspected or apparent, the Department and/or the Office of the Attorney General will take action to gain compliance and recoup inappropriate or excess payments per Ohio Admin. Code 5160-1-29(B).²

We are required to be independent of Mercy and to meet our ethical responsibilities, in accordance with the ethical requirements established by the American Institute of Certified Public Accountants related to our compliance examination. This report is intended solely for the information and use of 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

March 4, 2025

² "Waste" means any preventable act such as inappropriate utilization of services or misuse of resources that results in unnecessary expenditures to the Medicaid program. "Abuse" means provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. See Ohio Admin. Code 5160-1-29(A) and 42 C.F.R. 455.2.

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).

Mercy is a Medicare certified home health agency (MCHHA) that received payment of approximately \$7.8 million for over 149,800 home health and waiver services³. Mercy has one location in Reynoldsburg, Ohio.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Mercy'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, in which Mercy billed with dates of service from January 1, 2020 through December 31, 2022 and received payment. We obtained Mercy's fee-for-service claims from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed services paid at zero, co-payments, Medicare crossover claims and third-party payments. From the remaining total paid services, we identified all instances in which a service was billed during a potential inpatient hospital stay (Services During Potential Inpatient Stay Exception Test) and a sample of state plan home health aide services (Home Health Aide Services Sample) and all other aide services on the same RDOS.

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

Table 1: Exception Test and Sample			
Universe	Population Size	Sample Size	Selected Services
Exception Test			
Services During Potential Inpatient Stay ¹			49
Sample			
Home Health Aide Services (G0156)	41,576 RDOS	80 RDOS	82
Additional Aide Services (PT624)			66
Total Home Health Aide and Additional Services			148
Total			197

¹ This exception test included state plan home health aide (G0156), state plan licensed practical nursing (G0300) and waiver personal care (PT624) services.

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

³ Payment data from the Medicaid claims database.

Results

The summary results are shown in **Table 2**. While certain services had more than one error, only one finding was made per service. 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				
Services During Potential Inpatient Stay	49	16	16	\$937.45
Sample				
Home Health Aide Services	82	42	65	\$660,052.00 ¹
Additional Aide Services	<u>66</u>	<u>15</u>	<u>15</u>	<u>\$727.92</u>
Total Home Health Aide and Additional	148	57	80	\$660,779.92
Total	197	73	96	\$661,717.37

¹ The overpayment identified for 42 of the 82 of the services from a simple random sample were projected across Mercy's population of state plan home health aide services resulting in a projected overpayment of \$818,673 with a precision of plus or minus \$189,698 at the 95 percent confidence level. Since the precision percentage achieved was greater than our procedures require for use of a point estimate, the results were re-stated as a single tailed lower limit estimate (equivalent to methods used in Medicare audits), and a finding was made for \$660,052. This allows us to say that we are 95 percent certain that the population overpayment amount is at least \$660,052. A detailed summary of our statistical sample and projection results is presented in the **Appendix**.

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 42 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 the identified owner and administrator names to the same database and exclusion/suspension list. We found no matches.

B. Service Documentation

Per Ohio Admin. Code 5160-12-03(B)(9), the MCHHA must maintain documentation of home health services that include, 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 is required to retain verification of service to include, but is not limited to, description of the activities provided, arrival and departure times and the name of the personal care aide in contact with the individual in accordance with Ohio Admin. Code 5160-31-05(B) and 173-39-02.11(C)(6)(b).

We obtained documentation from Mercy 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.

B. Service Documentation (Continued)

When the number of units billed exceeded the documented duration, the improper payment was based on the unsupported units. Also, where the service overlapped, the improper payment was based on the difference in the payment and the number of units that overlapped.

Services During Potential Inpatient Stay Exception Test

The 49 services examined consisted of 10 recipients in which the reported date of service occurred during a potential inpatient hospital stay. We requested verification from the rendering hospital to confirm admission and discharge dates of each service. The rendering hospitals did not respond to our request for confirmation; therefore, we were unable to determine whether the associated services were billed during the hospital stay. However, 16 services examined had no documentation to support the payment.

These 16 errors resulted in the improper payment amount of \$937.45.

Home Health Aide Services Sample

The 82 services examined contained 26 instances in which there was no service documentation to support the payment and two instances in which the service time overlapped with a waiver personal care service rendered by the same aide. These 28 errors are included in the projected improper payment of \$660,052.

The 66 additional aide services examined contained the following errors:

- 11 instances in which there was no service documentation to support the payment;
- Two instances in which the units billed exceeded the documented duration; and
- Two instances in which the service time overlapped with a home health aide service rendered by the same aide.

These 15 errors resulted in the improper payment amount of \$727.92.

Recommendation

Mercy 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, Mercy Home Health should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for payment. Mercy 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)⁴ to create a plan of care for state plan recipients indicating the type of services to be provided to the recipient and be signed by the recipient's treating physician.

We obtained plans of care from Mercy and determined if there was a plan of care that covered the date of the home health aide service examined, 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.

⁴ This rule refers to the Medicare Benefit Policy Manual which requires that the plan of care be signed by the recipient's treating physician.

C. Authorization to Provide Services (Continued)

Home Health Aide Services Sample

The 82 services examined contained the following errors:

- 35 instances in which there was no plan of care;
- One instance in which the plan of care did not authorize the service; and
- One instance in which the plan of care was not signed by the physician.

These 37 errors are included in the projected improper payment of \$660,052.

Recommendation

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

Official Response

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

APPENDIX
Summary of Home Health Aide Services Sample

POPULATION

The population is all paid Medicaid state plan home health aide services (procedure code G0156), net of any adjustments and less exception test services, where the service was performed during the examination period and payment was made by the Department.

SAMPLING FRAME

The sampling frame was paid and processed fee-for-service claims from the Department's claim system. This system contains all Medicaid payments and adjustments made to the Medicaid payments by the Department.

SAMPLE UNIT

The sampling unit was an RDOS.

SAMPLE DESIGN

We used a simple random sample.

Description	Results
Number of Population RDOS Provided	41,576
Number of Population RDOS Sampled	80
Number of RDOS Sampled with Errors	40
Number of Population Services	42,598
Number of Population Services Sampled	82
Number of Services Sampled with Errors	42
Total Medicaid Amount Paid for Population	\$1,716,108.19
Amount Paid for Population Services Sampled	\$3,194.34
Estimated Overpayment (Point Estimate)	\$818,673
Precision of Overpayment Estimate at 95% Confidence Level	\$189,698 (23.17%)
Precision of Overpayment Estimate at 90% Confidence Level	\$158,621 (19.38%)
Single-tailed Lower Limit Overpayment Estimate at 95% Confidence	\$660,052

Source: Analysis of the Department's claims information and Mercy's records

OHIO AUDITOR OF STATE KEITH FABER



MERCY HOME HEALTH 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 4/1/2025

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