HOLISTIC HOME HEALTH, CORP.
CUYAHOGA COUNTY

MEDICAID COMPLIANCE EXAMINATION REPORT

FOR THE PERIOD JANUARY 1, 2008 - DECEMBER 31, 2010

Dave Yost • Auditor of State

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HOLISTIC HOME HEALTH, CORP.
CUYAHOGA COUNTY

TABLE OF CONTENTS

Title	Page
Independent Auditor's Report	1
Compliance Examination Report	3
Recommendation: Plans of Care	5
Recommendation: Service Documentation	6
Recommendation: Competency Evaluations	7

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Independent Auditor's Report

Vila Nanthavong, President
Holistic Home Health, Corp.
24600 Center Ridge Road, Suite 470
Westlake, Ohio 44145

RE: Medicaid Provider Number 2702221

Dear Ms. Nanthavong:

We examined Holistic Home Health, Corp. (the Provider) for compliance with specified Medicaid requirements for service documentation, service authorization and provider qualifications related to the provision of home health care aide and personal care aide services during the period of January 1, 2008 to December 31, 2010. We reviewed the Provider's records to determine if it had support for services billed to and paid by Ohio Medicaid and compared the elements contained in the documentation to the Medicaid rules. In addition, we determined if the services met the requirements for medical necessity, specifically if the services were authorized in plans of care. We also reviewed personnel records to verify that the Provider's staff met initial training requirements. The accompanying Compliance Examination Report identifies the specific requirements examined for compliance.

Provider's Responsibility

The Provider entered into an agreement with the Ohio Department of Medicaid (ODM)[1] 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 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.

Our examination included reviewing, on a test basis, evidence about the Provider's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our conclusions. Our examination does not provide a legal determination on the Provider's compliance with specified requirements.

We examined 1,453 home health aide services and 98 personal care aide services and identified 94 errors relating to non-compliance with those requirements. We found the Provider was overpaid by Ohio Medicaid for home health aide and personal care aide services between January 1, 2008 and December

[1] Effective July 1, 2013, ODM replaced the Ohio Department of Job and Family Services as the state Medicaid agency.

31, 2010 in the amount of $1,521.02. This finding plus interest in the amount of $142.34 totaling $1,663.36 is due and payable to ODM upon its adoption and adjudication of this examination report. After adjudication by ODM, additional interest may be assessed until the finding and interest is paid in full.

When the Auditor of State identifies fraud, waste or abuse by a provider in an examination,[2] any payment amount in excess of that legitimately due to the provider will be recouped by ODM, Fiscal Operations, the state auditor, or the office of the attorney general. Ohio Admin. Code § 5160-1-29(B). Therefore, a copy of this report will be forwarded to ODM because it is responsible for making a final determination regarding recovery of our findings and any accrued interest. If you agree with the findings contained herein, you may expedite repayment by contacting ODM's Office of Legal Services at (614) 752-3631.

This report is intended solely for the information and use of the Ohio Department of Medicaid, the Medicaid Fraud Control Unit of the Ohio Attorney General's Office, the U.S. Department of Health and Human Services/Office of Inspector General, and other regulatory and oversight bodies and is not intended to be and should not be used by anyone other than these specified parties. In addition, copies are available to the public on the Auditor of State website at www.ohioauditor.gov.

Sincerely,

Dave Yost
Auditor of State

January 10, 2014

[2] "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 constitute 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 for Holistic Home Health, Corp.

Background

Title XIX of the Social Security Act, known as Medicaid, provides federal cost-sharing for each state's Medicaid program. Medicaid provides health coverage to families with low incomes, children, pregnant women, and people who are aged, blind, or who have disabilities. Hospitals, long-term care facilities, managed care organizations, individual practitioners, laboratories, medical equipment suppliers, and others (all called "providers") render medical, dental, laboratory, and other services to Medicaid patients. 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 diagnosis or treatment of disease, illness, or injury, and which, among other things, meet requirements for reimbursement of Medicaid covered services. Ohio Admin. Code § 5160-1-01(A).

The Auditor of State performs examinations to assess provider compliance with reimbursement rules to ensure that services billed to Ohio Medicaid are properly documented and consistent with professional standards of care and medical necessity. According to Ohio Admin. Code § 5160-1-17.2(D), 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 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(E)

The Provider is a Medicare certified home health agency located in Cuyahoga County, Ohio, that furnishes private duty nursing, waiver nursing, personal care aide and home health aide services to Ohio Medicaid recipients. In March 2009, the Provider filed a certificate of conversion with the Ohio Secretary of State to change from Holistic Home Health, LLC to Holistic Home Health, Corp. The Provider has two Ohio Medicaid provider numbers: number 2702221 is for the Cuyahoga County location and number 2730441 is for its Summit County location which is categorized as a waivered services organization. The services billed from the Summit County location were homemaker and personal care for the PASSPORT waiver program. The Provider reported that it closed its Summit County office in February, 2013. The Provider's Chief Executive Officer, Administrator, and Director of Nursing also operate three additional home health agencies: Pinnacle Home Health, Corp. which is located in a different suite within the same building as the Provider; and Nationwide Home Healthcare, Corp. and Premier Home Care, Corp. which are both located in Franklin County.

During the examination period, the Provider received reimbursement of $2,168,741.53 for 83,568 home health aide services and $235,429.72 for 3,026 personal care aide services rendered on 18,216 recipient dates of service. A recipient date of service is defined as all services for a given consumer on a specific date of service. The home health aide and personal care aide services accounted for 96.7 percent of the total reimbursement received from Ohio Medicaid.

Home health services include home health nursing, home health aide and skilled therapies. The only provider of home health services is the Medicare certified home health agency that meets the requirements in accordance with rule 5101:3-12-03 of the Ohio Administrative Code. A Medicare certified home health agency is any entity, agency or organization that has and maintains Medicare certification as a home health agency, and is eligible to participate in the Medicaid program upon execution of a Medicaid provider agreement. In order for home health services to be covered, the home health agency must provide home health services that are appropriate given the consumer's diagnosis, prognosis, functional limitations and medical conditions as ordered by the consumer's treating physician. *See* Ohio Admin Code §§ 5160-12-01(A)(E) and 5160-12-03(A)

Ohio Medicaid recipients may be eligible to receive home health aide and personal care aide services in their homes. Home health aides assist the consumer with activities of daily living such as bathing, dressing, and household chores, as well as maintaining a certain level of health in order to remain in the home setting. Ohio Admin Code § 5160-12-01(F)(2)(e) Ohio Medicaid rules require that home health aide services are provided in accordance with an approved plan of care, which is the medical treatment plan that is established and approved by the treating physician. *See* Ohio Admin. Code §§ 5160-12-01(B)(E)

Personal care aide services are rendered to consumers in an ODM administered waiver to assist the consumer with activities of daily living, such as bathing, dressing, household chores, and accompanying the consumer to medical appointments. Personal care aide services are authorized in the all services plan, which lists all services approved for the consumer under the waiver program, including the type of service, frequency and duration, and it specifies which provider can render services and subsequently bill Ohio Medicaid for those services. The number of hours billed cannot exceed the number of hours approved in the all services plan. *See* Ohio Admin. Code § 5160-46-04(B).

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether the Provider's Medicaid claims for reimbursement complied with Medicaid regulations. Please note that all rules and code sections relied upon in this report were those in effect during the audit period and may be different from those currently in effect.

The scope of the engagement was limited to an examination of home health aide and personal care aide services for which the Provider rendered to Medicaid recipients and received payment during the period of January 1, 2008 through December 31, 2010.

We obtained the Provider's claims history from the Medicaid Management Information System database of services billed to and paid by Ohio's Medicaid program. We extracted home health aide services and personal care services as these two services accounted for over 98 percent of the services billed and approximately 97 percent of the total amount paid during our examination period. Prior to selecting our sample, we removed any services previously identified in an overpayment by ODM. From the remaining subpopulation, a two-stage cluster sampling approach was used. We selected a sample of 30 unique recipients in the sub-population and then selected a sample of 30 recipient dates of service per each recipient chosen. The 30 recipients were selected using a simple random selection function. The subpopulation of services received by these 30 recipients was stratified by recipient identification and a stratified sample of 30 recipient dates of service was taken from each recipient strata. If a given recipient selected had fewer than 30 recipient dates of service, then all recipient dates of service for that recipient were selected. The resulting sample of 900 recipient dates of service contained 1,551 services.

We obtained timesheets and plans of care from the Provider. We also judgmentally selected six employees from the sample of services reviewed to ensure that the training requirements were met prior to rendering services.

An engagement letter was sent to the Provider on March 1, 2013, setting forth the purpose and scope of the examination. Our on-site fieldwork was performed in March 2013.

Results

We reviewed 1,551 services (1,453 home health aides and 98 personal care aide services) and identified 94 errors. All but one of the errors found was related to provision of home health aide services. We also identified other areas of non-compliance related to both home health aide and personal care aide services. We identified overpayments as a result of the 60 errors related to service authorization and service documentation. While certain services had more than one error, only one finding was made per service. The basis for our findings is discussed below in more detail. We did not project a finding beyond those found in our sample because we do not project findings from a sampling when less than 10 percent of the services examined in the sample have error and the amount of the errors found in the sample is less than $1,000.

A. Service Authorization

Plans of Care

In order to provide and submit a claim for reimbursement of home health aide services, the recipient's plan of care must be used to certify medical necessity. Ohio Admin. Code § 5101:3-12-01(D) Medicare certified home health agencies are required to implement policy components for home health as specified in the "Medicare Benefit Policy Manual, Chapter Seven: Home Health Services. *See* Ohio Admin. Code § 5101:3-12-03(B)(3)(b) The Medicare Benefits Policy Manual states the plan of care must be reviewed and signed by the physician who established the plan of care, at least every 60 days. Each review of a recipient's plan of care must contain the signature of the physician and the date of review.

We found six services where the plan of care did not authorize home health aide services and 37 services where the plan of care was not signed by the physician and/or did not include the date of review. We did note that it is the Provider's policy to stamp "received" on the back of the plan of care and write the date the signed plan of care was received from the physician. The 37 errors identified did not have an agency stamp or date received on the plan of care. All 43 errors were disallowed and the reimbursement is included in the total overpayment of $1,521.02.

A plan of care must contain a description of the type, frequency, scope and duration of the home health services that are to be performed. Ohio Admin. Code § 5101:3-12-03(B)(3)(b).

We noted 34 services related to plans of care that did not include the frequency of services. In these instances, the plans of care indicated how many hours were authorized per day but did not indicate how many days per week or for what period of time services were authorized.

Recommendation:

The Provider should ensure plans of care are properly completed to include all services necessary for the patient, as well as frequency, scope, and duration of services. In addition, the Provider should ensure that each plan of care includes the physician's signature and the date of the physician's signature. The Provider should not submit claims for reimbursement for services not specified on the patient's plan of care or for services not approved by a complete and authorized plan of care.

B. Service Documentation

The certified agency must maintain documentation of home health services provided that includes, but is not limited to, clinical records and time keeping records that indicate time span of the service and the type of service provided. Ohio Admin Code § 5101:3-12-03(C)(4) Documentation to support personal care services must include the tasks performed or not performed; the arrival and departure times; the signatures of the personal care aide and the consumer or authorized representative upon completion of the service delivery. Ohio Admin. Code § 5101:3-46-04(B)(8)

There were 11 dates of service with no documentation to support the services billed. In all of these instances we verified with the Provider that the records were not present in the consumer's clinical records. In addition, we found six services where the time documented did not match the paid units. In three of the six instances the Provider was splitting a single shift and billing it as two separate shifts. This resulted in the Provider receiving greater reimbursement for the hours worked. In the remaining three instances, the Provider's records indicated the consumer was in the hospital on the dates billed. The 17 errors were disallowed and the reimbursement is included in the total overpayment of $1,521.02.

We also identified 166 instances where template timesheet were used to document hours worked and/or tasks performed by aides. The Provider initiated a practice of completing timesheets with the time in and out along with tasks performed and sending these pre-completed forms to the aides. The Provider stated it discontinued this practice after being informed during a PASSPORT review that it should not allow documentation of tasks performed to be completed in advance and copied. We also found examples of other templates being used by aides. Template service documentation does not facilitate capturing actual services performed at each shift. For example, the timesheets for the consumer that was billed for home health services during an inpatient stay were complete with time in and time out, tasks performed, and were signed by the aide and the consumer. This example demonstrates that the templates are being completed in advance of actual service delivery and result in services being billed in error.

Recommendation:

The Provider should strengthen its internal controls to ensure that services for which there is no supporting documentation are not billed. In addition, the Provider should ensure that services be provided as ordered on the plan of care and be billed accordingly. The Provider should educate its aides on the inappropriateness of using template timesheets in order to ensure compliance with Medicaid rules and to avoid future findings.

C. Provider Qualifications

Home health aides and personal care aides are required to successfully complete a competency evaluation prior to rendering services. Ohio Admin. Code §§ 5101:3-12-01(F)(2) and 5101:3-46-04(B)(6)

We haphazardly selected six employees that rendered home health aide services during the review period. Two of these employees also rendered personal care aide services. We tested to determine compliance with requirement to have completed a competency evaluation prior to rendering care. The review of personnel records found all of the aides had evidence of a completed competency evaluation; however, there was no date of completion for two of the aides tested. Therefore, we cannot verify that these two aides completed their competency evaluations prior to rendering care.

Recommendation:

The Provider should strengthen internal controls to ensure competency evaluations are dated and properly completed before the aide begins to render care.

Provider Response

A draft report along with a detailed list of services for which we took findings was mailed to the Provider on December 30, 2013, and the Provider was afforded an opportunity to respond to this examination report.

We did not receive a response from the Provider to the results noted above.

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HOLISTIC HOME HEALTH, CORP

CUYAHOGA 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 28, 2014

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