



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COVENANT HOME HEALTH CARE, LLC  
FRANKLIN COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE MEDICAID PROGRAM APPLICABLE TO HOME HEALTH NURSING, HOME HEALTH AIDE AND PERSONAL CARE AIDE SERVICES**

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

RE: Covenant Home Health Care, LLC  
Ohio Medicaid #3094388

We have examined Covenant Home Healthcare, LLC (the Provider's) compliance with specified Medicaid requirements for provider qualifications and service documentation related to the provision of home health nursing, home health aide and personal care aide services as well as service authorization for home health nursing and home health aide services during the period of July 1, 2014 through June 30, 2017.

The Provider entered into an agreement (the Provider Agreement) with the Ohio Department of Medicaid (ODM) to provide services to Medicaid recipients and to adhere to the terms of the agreement, state statutes and rules, federal statutes and rules, including the duty to maintain records supporting claims for reimbursement made by Ohio Medicaid. Management of Covenant Home Health Care, LLC is responsible for its compliance with the specified requirements. The accompanying Compliance Examination Report identifies the specific requirements examined. Our responsibility is to express an opinion on the Provider'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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Provider complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Provider 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 opinion. Our examination does not provide a legal determination on the Provider's compliance with the specified requirements.

### ***Internal Control Over Compliance***

The Provider 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 Provider's internal control over compliance.

Covenant Home Health Care, LLC  
Independent Auditor's Report on  
Compliance with Requirements of the Medicaid Program

***Opinion on Compliance***

In our opinion, the Provider complied, in all material respects, with the aforementioned requirements pertaining to provider qualifications, service documentation and service authorization for the period of July 1, 2014 through June 30, 2017.

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.

We identified improper Medicaid payments in the amount of \$6,294.68. This finding plus interest in the amount of \$544.45 (calculated as of February 14, 2019) totaling \$6,839.13 is due and payable to the ODM upon its adoption and adjudication of this examination report. Services billed to and reimbursed by the ODM, which are not validated in the records, are subject to recoupment through the audit process. See Ohio Admin. Code § 5160-1-27

This report is intended solely for the information and use of the Provider, the ODM and other regulatory and oversight entities, 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

February 14, 2019

## 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

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

Ohio Medicaid recipients may be eligible to receive home health services, waiver services or both. According to Ohio Admin Code § 5160-12-01, the only provider of home health services is a Medicare certified home health agency (MCRHHA) that meets the requirements in accordance with Ohio Admin. Code § 5160-12-03. Waiver services can be provided by a MCRHHA, an otherwise-accredited home health agency or a non-agency nurse or personal care aide.

The Provider is a MCRHHA and under Ohio Medicaid provider number 3094388 received reimbursement of \$660,697 for 13,945 services, including the following:

- 6,751 home health aide services (procedure code G0156);
- 3,061 personal care aide services (procedure code T1019);
- 2,089 skilled nursing services (procedure code G0154);
- 908 personal care aide services (procedure code PT624);
- 422 skilled nursing LPN services (procedure code G0300);
- 416 skilled nursing RN services (procedure code G0299);
- 151 RN nursing services (procedure code T1002);
- 93 nursing assessment services (procedure code T1001); and
- 54 physical therapy services (procedure code G0151).

The Provider had an additional Medicaid provider number, 0079154, as a waived service provider, and received reimbursement of \$53,016 during the examination period. This examination did not include any services billed under number 0079154.

In addition, one of the Provider's owners is also identified as owner of Covenant Home Health Plus, LLC which has the Medicaid provider number of 0052495 and operates out of the same address as Covenant Home Health Care, LLC. Ohio Medicaid reimbursed this second agency \$227,726 during the examination period for preadmission screening system providing options and resources today (PASSPORT) waiver services.

### 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.

**Purpose, Scope, and Methodology (Continued)**

The scope of the engagement was limited to an examination of home health and waiver services as specified below that the Provider billed with dates of services from July 1, 2014 through June 30, 2017 and received payment.

We received the Provider's claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed all services with a paid amount of zero.

We used a statistical sampling approach to facilitate a timely efficient examination as permitted by Ohio Admin. Code § 5160-1-27(B)(1). We extracted home health nursing services (procedure codes G0154, G0299 and G0300), home health aide services (G0156) and personal care aide services (T1019) and selected a sample of each service category.

The sampling unit for the three samples is a recipient date of service (RDOS). An RDOS is defined as all services for a given recipient on a specific date of service. We used the U.S. Department of Health and Human Services/Office of Inspector General's (HHS/OIG) RATSTATS<sup>1</sup> statistical program to calculate the overall sample sizes.

For the nursing sample, we used an estimate of the population overpayment standard deviation of the actual amount paid per claim and a 28 percent error rate based on prior examinations of this service category. This resulted in a sample size of 759 RDOS from the population of 2,887 RDOS. We then obtained the detailed services for the 759 RDOS which resulted in a sample of 770 services.

To increase efficiency and to account for skewness and kurtosis, a stratified approach was used for the home health aide sample. The strata were calculated using a modified cumulative frequency square root method<sup>2</sup> and an error rate of 42 percent based on prior examinations of this service category. The calculated sample size is shown in **Table 1**.

<b>Table 1: Home Health Aide Services Sample</b>		
<b>Universe/Strata</b>	<b>Population Size</b>	<b>Sample Size</b>
RDOS Paid Less Than \$50.00	2,588	152
RDOS Paid Between \$50.00 and \$74.99	1,179	120
RDOS Paid Between \$75.00 and \$149.99	876	185
RDOS Paid \$150.00 and Over	47	47
<b>Total:</b>	4,690	504

We then obtained the detailed services for the 504 RDOS which resulted in a sample of 991 services.

<sup>1</sup> RAT-STATS is a free statistical software package that providers can download to assist in a claims review. The package, created by OIG in the late 1970s, is also the primary statistical tool for OIG's Office of Audit Services.

<sup>2</sup> Dalenius-Hodge Rule – see Sampling of Populations-Methods and Applications, 4<sup>th</sup> Ed. by Paul S. Levy and Stanley Lemeshow, Wiley Series in Probability and Statistics, pp. 179-183

### **Purpose, Scope, and Methodology (Continued)**

For the personal care aide sample, we used an estimate of the population overpayment standard deviation of the actual amount paid per claim and a 47 percent error rate based on prior examinations of this service category. This resulted in a sample size of 418 RDOS from the population of 2,730 RDOS. We then obtained the detailed services for the 418 RDOS which resulted in a sample of 463 services.

A total of 2,224 services were selected for examination in the three samples.

A notification letter was sent to the Provider setting forth the purpose and scope of the examination. During the entrance conference, the Provider described its documentation practices and process for submitting billing to the Ohio Medicaid program. The Provider was given multiple opportunities to submit documentation. We reviewed all documentation submitted by the Provider for compliance.

### **Results**

While certain services had more than one error, only one finding was made per service. The non-compliance and basis for our findings is discussed below in more detail.

#### *Nursing Services Sample*

We examined 770 services and found 80 errors. The overpayments identified for 79 services resulted in an improper payment of \$3,556.59.

#### *Home Health Aide Services Sample*

We examined 991 services and found 66 errors. The overpayments identified for 65 services resulted in an improper payment of \$2,539.92.

#### *Personal Care Aide Services Sample*

We examined 463 services and found five errors. The overpayments identified for five services resulted in an improper payment of \$198.17.

### **A. Provider Qualifications**

#### *Nurses, Home Health Aides and Personal Care Aides*

Per Ohio Admin. Code § 5160-1-17.2, in signing the Medicaid provider agreement, the 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 compared the names of the nurses and aides that rendered services in the sample to the Office of Inspector General exclusion database and the Ohio Department of Medicaid exclusion or suspension list.

We tested a total of 11 nurses and 45 aides and found no matches on an exclusion or suspension list.

**A. Provider Qualifications (Continued)**

*Nursing Services*

According to Ohio Admin. Code § 5160-12-01(G), home health nursing requires the skills of and is performed by either a registered nurse (RN) or a licensed practical nurse (LPN) at the direction of an RN.

We identified six RNs and five LPNs who rendered services in our sample. We verified via the Ohio e-License Center website that their professional licenses were current and valid on the first date of service in the sample and were active during the remainder of the examination period.

We found no instances of non-compliance with the nursing licenses.

*Personal Care Aide Services*

In order to submit a claim for reimbursement, all individuals providing personal care aide services must obtain and maintain first aid certification from a class this is not solely internet-based and that includes hands-on training by a certified first aid instructor and a successful return demonstration of what was learned in the course. See Ohio Admin. Code §§ 5160-46-04(B), 5160-50-04(B) and 5123:2-9-56(C)

We reviewed personnel records for the nine personal care aides who rendered services in the sample and found no instances of non-compliance with the first aid requirement.

**B. Service Documentation**

The MCRHHA must maintain documentation of home health services provided that includes, but is not limited to, clinical and time keeping records that indicate date and time span of the service and the type of service provided. See Ohio Admin. Code § 5160-12-03

For waiver 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 dated signatures of the provider and the recipient or authorized representative verifying the service delivery upon completion of service delivery. See Ohio Admin. Code §§ 5160-45-10 and 5123:2-9-56(E)(2)

During part of the examination period, providers of home health nursing and aide services received a base rate for any portion of the first 60 minutes of home health services delivered. After July 1, 2015, providers were required to render 35 to 60 minutes of services to receive the base rate. Ohio Admin. Code § 5160-12-05

For errors where the number of units billed exceeded the documented duration, the improper payment was based on the unsupported units. For errors where there was no documented service duration, the improper payment is the difference between the amount paid and the reimbursement for one unit.

We determined if service documentation was maintained, contained the in and out time of the covered service and a description of services rendered or included the tasks performed and if billed units were supported. For waiver services we tested documentation for inclusion of the dated signatures of the rendering provider and recipient or their authorized representative.

**B. Service Documentation (Continued)**

*Nursing Services Sample*

We examined 770 services and found six services with no service documentation to support the payment, one service in which the documentation did not indicate duration (lacking the time in or time out) and one service in which the number of units billed exceeded documented duration. These eight errors are included in the improper payment of \$3,556.59.

*Home Health Aide Services Sample*

We examined 991 services and found nine services in which there was no service documentation to support the Medicaid payment, seven services in which the number of units billed exceeded documented duration and one service with no documented duration. These 17 errors are included in the improper payment of \$2,539.92.

*Personal Care Aide Sample*

We examined 463 services and identified two services in which there was no service documentation to support the Medicaid payment, two services in which the number of units billed exceeded documented duration, and one service in which the service documentation was not signed by the recipient or authorized representative. These five errors are included in the improper payment of \$198.17.

**Recommendation:**

The Provider should develop and implement procedures to ensure that all service documentation fully complies with requirements contained in Ohio Medicaid rules. In addition, the Provider should implement a quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement. The Provider should address the identified issues to ensure compliance with Medicaid rules and avoid future findings.

**C. Authorization to Provide Services**

*Plans of Care*

All home health providers are required by Ohio Admin. Code § 5160-12-03 to create a plan of care for recipients and the plan is required to be signed by the recipient's treating physician. Home health providers must obtain the completed, signed and dated plan of care prior to billing the ODM for the service.

*Nursing Services Sample*

We examined 770 services and found 72 services in which the plan of care was not signed prior to claim submission (ranging from one to 29 days after claim submission). These 72 errors are included in the improper payment of \$3,556.59.

*Home Health Aide Sample*

We examined 991 services and found 49 services in which the plan of care was not signed prior to claim submission (ranging from one to 28 days after claim submission). These 49 errors are included in the improper payment of \$2,539.92

**C. Authorization to Provide Services (Continued)**

**Recommendation:**

The Provider should establish a system to ensure the signed plans of care are obtained prior to submitting a claim for services to the ODM. The Provider should address the identified issue to ensure compliance with Medicaid rules and avoid future findings.

**Official Response**

The Provider submitted an official response to the results of this examination which is presented in **Appendix I**. We did not examine the Provider's response and, accordingly, we express no opinion on it.

**APPENDIX A**



**Covenant Home Health Care, LLC**  
**5212 W. Broad St., Suite J**  
**Columbus, OH 43228**  
**614 465 9123**

**Solemn promise to care in the comfort of your home**

Auditor of the State of Ohio  
88 E. Broad St., 9th Floor  
Columbus, Ohio 43215

February 14th, 2019

To Whom It May Concern:

I would like to thank the Auditor's team for their professionalism and taking the time to address our agency's concerns about the Compliance Examination Report.

Covenant Home Health Care, LLC is an owner-operated agency and, as such, we have invested our time, resources, and knowledge to providing quality home care services to our clients for the ten (10) years that we have been operational.

Covenant Home Health Care, LLC would never intentionally or otherwise risk compromising the safety of our clients given that as owners we are heavily involved in the day to day operation of the agency.

With regards to the Auditor's findings, we will continue to work with and educate physicians to make sure of the timely authorization on the plan of care orders.

In addition, Covenant Home Health Care, LLC will implement quality review process to ensure that documentation is complete and accurate prior to submitting claims for reimbursement.

Covenant Home Health Care, LLC also will address all the identified issues to ensure compliance with Medicaid rules to avoid future findings.

We hope to continue providing exemplary care to our clients and all matters pointed out in the audit have been rectified.

Respectfully,

A handwritten signature in black ink, appearing to be 'ZA' or similar initials, written over a horizontal line.

Zeinab Ali

President  
Covenant Home Health Care, LLC

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# OHIO AUDITOR OF STATE KEITH FABER



**COVENANT HOME HEALTH, LLC**

**FRANKLIN 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  
FEBRUARY 28, 2019**