



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 NURSING FACILITY SERVICES

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

RE: Bowerston Hills Healthcare LLC
Ohio Medicaid Number: 0083367

National Provider Identifier: 1265877369

We examined compliance with specified Medicaid requirements for nursing facility services during the period of January 1, 2020 through December 31, 2022 for Bowerston Hills Healthcare LLC (Bowerston Hills). We tested the following select payments:

- Four months of service for each of the three recipients who received respiratory services;
- 36 months of service for recipients who received all-inclusive room and board services and leave of absence days, if any, during those months;
- 12 dates of service for direct care staff requirements; and
- Three weeks of ventilator services for staff requirements.

Bowerston Hills 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 Bowerston Hills is responsible for its compliance with the specified requirements. Our responsibility is to express an opinion on Bowerston Hills' compliance with the specified Medicaid requirements based on our examination.

The Compliance Section of this report identifies the specific requirements examined. Our responsibility is to express an opinion on Bowerston Hills' 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 Bowerston Hills complied, in all material respects, with the specified requirements referenced in the Compliance Section. We are required to be independent of Bowerston Hills 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 Bowerston Hills 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 Bowerston Hills' compliance with the specified requirements.

Internal Control over Compliance

Bowerston Hills 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 Bowerston Hills' internal control over compliance.

Basis for Qualified Opinion

Our examination disclosed that, in a material number of instances, comprehensive assessments were not updated annually and plans of care were not reviewed at least quarterly.

Qualified Opinion on Compliance

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Bowerston Hills has complied, in all material respects, with the applied requirements as identified in the Compliance Section of this report for 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 Bowerston Hills' compliance with other requirements.

We identified improper Medicaid payments in the amount of \$38,205.28. This finding plus interest in the amount of \$5,589.48 (calculated as of February 25, 2025) totaling \$43,794.76 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.

This report is intended solely for the information and use of Bowerston Hills, 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 26, 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. Per Ohio Admin. Code 5160-1-17.2 (D) and (E), providers must furnish such records for audit and review purposes.

Per Ohio Admin. Code 5160-3-02(B), a provider of a nursing facility is required to execute the provider agreement, apply for and maintain a valid license to operate if required by law and comply with the provider agreement and all applicable federal, state, and local laws and rules.

Bowerston Hills operated a nursing facility licensed by the Ohio Department of Health (provider type 86) and received payment of approximately \$5.5 million under the provider number examined for 696 fee-for-service claims. Bowerston Hills also received approximately \$751,000 for 88 managed care claims¹ which were not included in the scope of the examination.

Purpose, Scope, and Methodology

The purpose of this examination was to determine whether Bowerston Hills' 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 fee-for-service payments as specified below for which Bowerston Hills billed with dates of service from January 1, 2020 through December 31, 2022 and received payment.

We obtained Bowerston Hills' claims history from the Medicaid database of services billed to and paid by Ohio's Medicaid program. We removed services paid at zero and excluded services paid by Ohio Medicaid managed care entities. The scope of our examination including testing procedures related to select services as identified in the Independent Auditor's Report.

The selected services are shown in **Table 1**.

Table 1: Selected Payments			
Universe	Population Size (months)	Months of Service	Selected Services
Selected Payments			
Other Respiratory Services (revenue code 0419)	92	12	12
All-Inclusive Room and Board Services (revenue code 0101) and Included Leave of Absence Days (revenue code 0185)	540	36	47
Total			59

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

¹ Payment data from Ohio Medicaid Information Technology System (MITS).

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
Selected Payments				
Other Respiratory Services	12	0	0	\$0
All Inclusive Room and Board Services and Included Leave of Absence Days	47	12	14	\$38,205.28
Total	59	12	14	\$38,205.28

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 23 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 administrative staff Bowerston Hills to the same database and exclusion/suspension list. We found no matches.

Licensure and Certifications

Ohio Admin. Code 3701-17-07(I) states that all individuals used by the nursing home who function in a professional capacity shall meet the standards applicable to that profession, including but not limited to, possessing a current Ohio license, registration, or certification, if required by law.

Based on the e-License Ohio Professional Licensure System, licenses for 10 identified nurses were current on the first date of service on our testing and were valid during the remainder of the examination period.

For the 13 identified aides, data from the Ohio Department of Health's Nurse Aide Registry indicated that all aides were certified on the first date of service on our testing and were valid during the remainder of the examination period.

B. Service Documentation

Per Ohio Admin. Code 3701-17-19(A), documentation requirements for nursing home services include nursing and care notes, a medication administration record and progress notes. We requested medication administration records for each recipient and date of service tested to determine if the recipient was in the facility on the date tested.

B. Service Documentation (Continued)

Other Respiratory Services

The 12 services examined contained documentation to support that the recipient was in the facility on the date tested.

All Inclusive Room and Board Services and Included Leave of Absence Days

The 47 services examined contained one instance in which there was no documentation to support four days included in the payment.

This one error, consisting of four days, is included in the improper payment of \$38,205.28.

Recommendation

We recommend that Bowerston Hills ensure that documentation supports the service billed and that only services rendered are billed. Bowerston Hills should address the identified issue to ensure compliance with the Medicaid rules and avoid future findings.

C. Authorization to Provide Services

We tested compliance with Ohio Admin. Code 3701-17-10 (D) that states the nursing home is required to perform a comprehensive assessment within 14 days after the individual begins to reside in the facility and subsequently perform a comprehensive assessment at least annually thereafter.

In addition, nursing homes must initiate a plan of care upon admission and review the plan of care whenever there is a change in the resident's condition, needs, or preferences that warrants a change in the services, supplies or equipment, and at least quarterly. See Ohio Admin. Code 3701-17-14 (A).

Other Respiratory Services

The 12 services examined contained an annual comprehensive assessment and a plan of care that was updated quarterly.

All Inclusive Room and Board Services and Included Leave of Absence Days

The 47 services examined contained seven instances in which the comprehensive assessment was not completed annually and six instances in which the plan of care was not reviewed quarterly.

These 13 errors are included in the improper payment of \$38,205.28.

Recommendation

We recommend that Bowerston Hills implement a system to ensure comprehensive plans are updated annually and plans of care are reviewed at least quarterly. Bowerston Hills should address the identified issues to ensure compliance with the Medicaid rules and avoid future findings.

D. Compliance Testing

Census Staffing Days

Per Ohio Admin. Code 3701-17-19 the provider is required to keep records showing the name and hours of duty of all personnel who work in the home. In addition, Ohio Admin. Code 3701-17-08 requires that each nursing home shall have sufficient direct care staff on each shift to meet the needs of the residents in an appropriate and timely manner to provide a minimum daily average of two and one-half hours of direct care and services per resident per day.

We tested staffing ratios for 12 dates of service within the compliance examination period. For the selected service dates, Bowerston Hills supplied detailed documentation with employees' names, positions or hours worked to verify direct care staff hours were met.

Ventilator Staffing Weeks

Per Ohio Admin. Code 5160-3-18(E)(8)(a) for providers supplying ventilator services there must be at least five hours per week, the services of a respiratory care professional (RCP) or the services of a registered nurse (RN) who has worked for a minimum of one year with ventilator dependent individuals. The RCP or the RN as applicable, shall provide direct care to the ventilator dependent individuals

We tested staffing requirements for three weeks of ventilator services within the examination period and found that they contained the required staffing hours.

Official Response

Bowerston Hills declined to submit an official response to the results noted above.

OHIO AUDITOR OF STATE KEITH FABER



BOWERSTON HILLS HEALTHCARE LLC

CARROLL 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 4/10/2025

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