



December 15, 2014

Mr. Oleg Oleynik, President
Centrix Home Health Care, Inc.
7210 Oxford Avenue
Philadelphia, Pennsylvania 19111

Dear Mr. Oleynik:

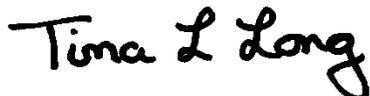
I am enclosing for your review the final audit report of Centrix Home Health, as prepared by the Division of Audit and Review (DAR). Your response has been incorporated into the final report and labeled as an Appendix. The report covers the period from July 1, 2012 to March 31, 2014.

I would like to express my appreciation for all of the courtesy extended to my staff during the course of the fieldwork. I understand that your staff was especially helpful to Barbara Miller in completing the audit process.

The final report will be forwarded to the Department's Office of Long Term Living (OLTL) to begin the Department's resolution process concerning the report's contents. The staff from OLTL will be in contact with you to follow-up on the actions taken to comply with the report's recommendations.

If you have any questions concerning this matter, please contact David Bryan, Audit Resolution Section at [REDACTED].

Sincerely,



Tina L. Long, CPA
Director

Enclosure

c: Mr. Jay Bausch
Ms. Anne Henry
Ms. Kim Nagle
Mr. Michael Luckovich
Ms. Angela Episale

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
SEFO Audit File (S1313)

Some information has been redacted from this audit report. The redaction is indicated by magic marker highlight. If you want to request an unredacted copy of this audit report, you should submit a written Right to Know Law (RTKL) request to DHS's RTKL Office. The request should identify the audit report and ask for an unredacted copy. The RTKL Office will consider your request and respond in accordance with the RTKL (65P.S. §§ 67.101 et seq.) The DHS RTKL Office can be contacted by email at: rapwrtkl@pa.gov.

December 15, 2014

Mr. Brendan Harris, Executive Deputy Secretary
Department of Human Services
Health & Welfare Building, Room 334
Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Harris:

In response to a request from the Office of Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated an audit of Centrix Home Health Care, Inc. (Centrix). The audit was designed to investigate, analyze and make recommendations regarding the reimbursements from the Provider Reimbursement and Operations Management Information System (PROMISe) for client care. Our audit covered the period from July 1, 2012 to March 31, 2014 (Audit Period).

This report is currently in final form and therefore contains Centrix’s views on the reported findings, conclusions and recommendations.

Executive Summary

Centrix provides transportation and supports coordination services through waiver programs, such as the OBRA, Commcare, Independence and Attendant Care waivers which are funded by OLTL.

The report findings and recommendations for corrective action are summarized below:

FINDINGS	SUMMARY
<p>Finding No. 1 – Certain Paid Claims Did Not Have Adequate Documentation to Support Service Delivery.</p>	<p>A statistically valid random sample (SVRS) of PROMISe paid claims was tested for adequacy of supporting documentation. The discrepancies identified relate to supports coordination and included overbilled and underbilled claims and Home and Community Services Information System (HCSIS) notes which did not indicate the start and end time spent on service delivery. The total questioned costs related to these errors are \$305,732.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>OLTL should:</p> <ul style="list-style-type: none"> Recover \$305,732 from Centrix for claims that were inadequately documented and/or overbilled. <p>Centrix should:</p> <ul style="list-style-type: none"> Ensure that claims are accurate and are adequately supported by the required documentation before billing. 	

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July 1, 2012 to March 31, 2014

FINDINGS	SUMMARY
Finding No. 2 – Internal Control Deficiencies	Internal control deficiencies were identified which may have caused some of the billing errors identified in Finding No.1. The internal control deficiencies were: HCSIS notes were entered up to a month after the service was delivered; the billing units were not always calculated correctly; and the content of the notes did not support the units that were billed.
HIGHLIGHTS OF RECOMMENDATIONS	
<p>Centrix should:</p> <ul style="list-style-type: none"> • Require their supports coordinators (SCs) to enter service notes in HCSIS within a day or two day after the service is delivered. • Establish an additional review of billable units to ensure accuracy in calculating and recording units for billing purposes. • Ensure that their SCs are fully documenting the services they are delivering and that the notes reflect the services that were delivered. 	

See Appendix A for the Background, Objective, Scope and Methodology and Conclusion on the Objective.

Results of Fieldwork

Finding No. 1 – Certain Paid Claims Did Not Have Adequate Documentation to Support Service Delivery.

A SVRS of claims were selected from the claims reimbursed through PROMISE during the Audit Period. The SVRS consisted of Transportation and Supports Coordination claims. Errors were only identified with the Supports Coordination claims.

The underlying documentation was analyzed to determine the validity of each sampled claim. In order for a supports coordination claim to be valid, it must be supported by a note in HCSIS. This note should include the date and time of service delivery, and must fully document the service delivered.¹ Analyzed documentation included supports coordinator notes entered into HCSIS as well as other notes which had not been entered into HCSIS.

The following errors were identified:

Over/Under Billed Claims: There were several claims where the number of units calculated, based on the time indicated, was incorrect.² Additionally, there were several instances where the number of units billed either exceeded or was less than the number of units that were documented as provided. The net questioned cost related to over/under billed claims is \$30,471.

¹ 55 Pa. Code Chapter 1101, §1101.11 General Provisions and §1101.51 Ongoing Responsibilities of Providers; 55 Pa. Code Chapter 52 §52.14 Ongoing Responsibilities of Providers, §52.15 Provider Records and §52.26 Service Coordination Services.

² OLTL Bulletin Number 05-12-01, 51-12-01, 54-12-01, 55-12-01, 59-12-01 Billing Instructions – Home and Community Based Waiver Provider’s Billing of Procedure Codes Based on Authorized Service Plans through PROMISE.

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Time was not Documented on the HCSIS Note: Prior to August 2013, Centrix supports coordinators were not documenting the actual time spent on service delivery; only the number of units was indicated on the note. A note must contain sufficient detail of the service that was delivered to support the units that are billed and must indicate the start and end time related to a specific consumer. Centrix's notes were generally lacking in detail. The BFO analyzed each of the sampled notes and accepted or adjusted the number of units that were billed based on the content of the SC's note. Total questioned costs related insufficient notes and service time documentation is \$275,261.

Recommendations

The BFO recommends OLTL recover \$305,732 from Centrix for claims that were inadequately documented and/or overbilled.

The BFO also recommends that Centrix ensures that claims are accurate and are adequately supported by the required documentation before billing.

Finding No. 2 – Internal Control Deficiencies

The BFO's analysis of Centrix's documentation and billing procedures identified the following internal control weaknesses:

HCSIS notes were not entered timely: Generally, SC's HCSIS notes were entered on the same day, usually at the end of the month, regardless of when the services were actually delivered. Notes should be written and entered into HCSIS within one or two days after the service was delivered. This would improve the accuracy of the information being entered into HCSIS.

Units were sometimes overstated: SCs need to ensure that units are calculated accurately. Service time did not always meet the required standards. Additionally, in some cases, the units were simply counted incorrectly. Supervisors should be reviewing SCs' billable units on a regular basis to ensure that the correct number of units was calculated prior to submitting the claim to PROMISe.

The content of service notes did not always support the units that were billed: The notes entered into HCSIS must contain sufficient detail as to the services that were delivered to support the number of units billed. Most notes in our sample were billed at three units. However, the content of the notes did not always support the number of units that were billed. Moving forward, service notes need to contain sufficient detail to support the number of units that were billed to comply with 55 PA Code Chapter 52.

Recommendations:

The BFO recommends that Centrix require their SCs to enter service notes in HCSIS within a day or two after the service is delivered.

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The BFO also recommends that Centrix establish an additional review of billable units to ensure accuracy in calculating and recording units for billing purposes.

Finally the BFO recommends that Centrix ensure that their SCs are fully documenting the services they are delivering and that the notes reflect the services that were delivered.

Exit Conference/Auditor's Commentary

An Exit Conference was held on November 24, 2014 at the request of Centrix's management. The discussions were centered on the BFO sampling methodology, the next steps in the audit process, and Centrix's response. The BFO reviewed Centrix's response which took exception to the BFO's audit sampling and use of extrapolation; however, the assertions made in the response around those areas are without merit. Accordingly, no changes were made to the draft report.

In accordance with our established procedures, an audit response matrix will be provided to OLTL. Once received, OLTL should complete the matrix within 60 days and email the Excel file to the DHS Audit Resolution Section at:



The response to each recommendation should indicate OLTL's concurrence or non-concurrence, the corrective action to be taken, the staff responsible for the corrective action, the expected date that the corrective action will be completed and any related comments.

Sincerely,

A handwritten signature in black ink that reads "Tina L Long".

Tina L. Long, CPA
Director

- c: Mr. Jay Bausch
- Ms. Anne Henry
- Ms. Kim Nagle
- Mr. Michael Luckovich
- Ms. Angela Episale

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
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CENTRIX HOME HEALTH CARE, INC.

APPENDIX A

APPENDIX A

Background

Centrix was incorporated in 2012 to provide Supports Coordination and Transportation Services. Centrix serves consumers who are approved by OLTL. OLTL funds the waiver eligible services which are paid through the PROMISe reimbursement process.

Objective/Scope/Methodology

The audit objective, developed in concurrence with OLTL, was:

- To determine if Centrix has adequate documentation to substantiate its paid claims through PROMISe for services delivered.

The criteria used to ascertain the adequacy of supporting documentation was 55 Pa. Code Chapter 52, 55 Pa. Code Chapter 1101 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed OLTL personnel and Centrix's management. We also analyzed books and records, billing data, PROMISe reimbursement data, criminal background checks, electronic records available in the HCSIS and other pertinent data necessary to pursue the audit objective.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objective described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of the effectiveness of those controls. Based on our understanding of the controls, material deficiencies pertaining to service notes and service time were identified. Areas where we noted an opportunity for improvement in management controls are addressed in the findings of this report.

The BFO's fieldwork was conducted intermittently from July 29, 2014 to August 14, 2014 and was performed in accordance with GAGAS. This report is available for public inspection.

Conclusion on the Objective

In conclusion, Centrix did not meet the documentation requirements for reimbursement of certain PROMISe claims for supports coordination. The deficiencies included: units billed did not agree with the HCSIS service notes; SCs did not always enter the service time with the HCSIS notes; and billed units were not complied correctly. As a result, total questioned costs are \$305,732.

CENTRIX HOME HEALTH CARE, INC.

RESPONSE TO THE DRAFT REPORT

APPENDIX B



CENTRIX HOME HEALTH CARE, INC.

November 13, 2014

Mr. Daniel Higgins, Audit Manager
Division of Audit and Review
Bureau of Financial Operations
Department of Public Welfare
[REDACTED]

RE: Centrix Home Health Care, Inc. Performance Audit Report Response

Dear Mr. Higgins:

In an efforts to investigate, analyze and make recommendations regarding the reimbursements from PROMISE for client care, the Bureau of Financial Operations of the Department of Public Welfare conducted an audit of Centrix for the period from July 1, 2012 to March 31, 2014. A copy of the "Draft Performance Audit Report" as prepared by the Division of Audit and Review is attached.

As noted in the Draft Report, Centrix provides transportation and supports coordination services through waiver programs, such as the OBRA, Commcare, Independence and Attendant Care waivers which are funded by the Office of Long Term Living. Your auditors were on our premises for an extended period of time conducting this audit and, at all times, our staff was cooperative and provided all materials necessary to conduct the audit to the Bureau.

As a result of the audit, two (2) findings were made. First, a finding was made that certain paid claims did not have adequate documentation to support service delivery and, second, internal control deficiencies were identified which may have caused some of the billing errors identified in finding number 1. Certain recommendations were made and some have since been implemented.

One of the recommendations with which Centrix disputes is that the Office of Long Term Living should recover Three Hundred Five Thousand Seven Hundred Thirty Two (\$305,732.00) Dollars from Centrix for claims that were inadequately documented and/or overbilled. During the audit, a random sample of claims were reviewed and identified as errors. The total value of the claims in the sample equal Twenty Four Thousand Forty Seven Dollars and Seventy Eight (\$24,047.78) Cents while the total value of claims identified as being inadequately documented were Five Thousand Four Hundred Ninety Eight Dollars and Sixteen (\$5,498.16) Cents. The inadequate documentation appears to solely consist of the lack of time entries on the HCSIS notes. This resulted in the finding of an error rate on 22.86% of the claims. As a result, the department extrapolated this 22.86% error rate based upon total claims during the time period in the amount of One Million Two Hundred Three Thousand Nine Hundred Thirty Dollars and Ninety Five (\$1,203,930.95) Cents to reach a recommended reimbursement amount of Two Hundred Seventy Five Thousand Two Hundred Sixty Dollars and



CENTRIX HOME HEALTH CARE, INC.

Fifty Four (\$275,260.54) Cents. The extrapolated over/under billing of Six Hundred Eight Dollars and Sixty Four (\$608.64) Cents became Thirty Thousand Four Hundred Seventy One Dollars and Three (\$30,471.03) Cents, for a total of Three Hundred Five Thousand Seven Hundred Thirty Two (\$305,732.00) Dollars. However, Centrix does not concur with this particular finding/recommendation because this large sum is based purely on "extrapolation." The sample presumes that it was random from a statistical point of view but has sampling errors and sampling bias. For example, the sample is too small. The sample considers less than two (2%) percent of all claim amounts during the relevant time period. Additionally, the one hundred sixteen (116) claims which were sampled are miniscule compared to a number of claims submitted during the time period in question. In addition, the sampling does not take into consideration claims which were submitted by service coordinators who are no longer employed by Centrix as a result of failing to properly document their claims. Commencing after August, 2013, Centrix implemented a quality management plan policy where all notes and billings are sampled and reviewed on a regular basis prior to the submission of billings to PROMISE. Any identified errors are immediately adjusted prior to submission by our quality management department. The extrapolation incorrectly assumes that the same procedures were followed from July 1, 2012 through March 31, 2014 when this was clearly not the case and the extrapolation does not take into consideration the improvements which we have strived to make since August, 2013. A review of the draft of the Exception Summary clearly shows the improvement of overbilled and underbilled claims as well as the documentation of claims with starting and ending times commencing in September, 2013 through March, 2014, particularly as the time gets closer to March 31, 2014, as compared with the Exceptions prior to September 1, 2013.

Although Centrix does not dispute a recommendation that the Office of Long Term Living should recover the Six Hundred Eight Dollars and Sixty Four (\$608.64) Cents for "Over/Under Errors" and Five Thousand Four Hundred Ninety Eight Dollars and Sixteen (\$5,498.16) Cents for "No Time on Notes Errors," we dispute the extrapolated recommendation that the Office of Long Term Living should recover Three Hundred Five Thousand Seven Hundred Thirty Two (\$305,732.00) Dollars for the reasons set forth above.

This letter will also confirm our recent telephone conversation where you advised that our response had to be submitted to you by November 13, 2014 despite the forty (40) day conference/ten (10) day report submission contained in the October 2, 2014 letter from Tina Long. Please allow this letter to request an exit conference to discuss the report contents and our response and to further discuss the recommendations of the report which have been implemented by Centrix.

We look forward to hearing from you.

Very truly yours,

VARELENE VASQUEZ,
Director