



**pennsylvania**  
DEPARTMENT OF HUMAN SERVICES  
BUREAU OF FINANCIAL OPERATIONS

August 7, 2015

Mr. Paul E. MacDonald, Chief Executive Officer  
In Home Program, Inc. d/b/a MARSCare  
743 North 24<sup>th</sup> Street  
Philadelphia, Pennsylvania 19130

Dear Mr. MacDonald:

I am enclosing for your review the final audit report of In Home Program, Inc. d/b/a MARSCare (MARS), 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 January 1, 2013 to December 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 you were especially helpful to Timothy N. Rausch in completing the audit process.

The final report will be forwarded to the Department's Office of Long-Term Living (OLTL) and Office of Developmental Programs (ODP) to begin the Department's resolution process concerning the report's contents. The staff from OLTL and ODP 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. Angela Episale  
Ms. Kim Barge  
Ms. Rochelle Zaslow  
Mr. Grant Witmer  
Mr. Michael Luckovich  
Ms. Patricia McCool  
Mr. Shawn Kepner  
Mr. Timothy O'Leary

bc: Mr. Alexander Matolyak  
Mr. Daniel Higgins  
Mr. David Bryan  
Mr. Grayling Williams  
Ms. Shelly Lawrence  
SEFO Audit File (S1409)

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](mailto:rapwrtkl@pa.gov).



August 7, 2015

Mr. Brendan Harris, Executive Deputy Secretary  
 Department of Human Services  
 Health & Welfare Building, Room 333  
 Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Harris:

In response to a request from the Office Developmental Programs (ODP), the Bureau of Financial Operations (BFO) initiated an audit of In Home Program, Inc. d/b/a MARSCare (MARS). 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 January 1, 2013 to December 31, 2014 (Audit Period).

This report is in final form and therefore contains MARS' views on the reported findings, conclusions and recommendations.

**Executive Summary**

MARS provided services through participation in the Home and Community-Based Services (HCBS) waiver programs funded by ODP and the Office of Long Term Living (OLTL). MARS provided home and community habilitation, companion, personal assistance and nursing services.

The report finding and recommendations for corrective action are summarized below.

FINDING	SUMMARY
<p><b><i>Finding No. 1 – PROMISe Nursing Claims Were Not Supported by Adequate Documentation.</i></b></p>	<p>A statistically valid random sample (SVRS) of claims paid through PROMISe was tested for adequacy of supporting documentation. The discrepancies identified related to a lack of daily activity notes. Total questioned costs related to this error are \$29,205.</p>

**HIGHLIGHTS OF RECOMMENDATIONS**

<p>ODP should:</p> <ul style="list-style-type: none"> <li>Recover \$29,205 for inadequately documented claims.</li> </ul> <p>MARS should:</p> <ul style="list-style-type: none"> <li>Only claim reimbursements for services that are supported by adequate, complete and consistent documentation.</li> </ul>
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FINDING	SUMMARY
<p><b><i>Finding No. 2 –Deficiencies in Internal Controls Resulted in Numerous Billing Errors.</i></b></p>	<p>BFO's analysis of home and community habilitation and companion care reimbursements revealed many overbilled or under billed claims indicative of inadequate internal controls. Management stated that the inadequacies were remedied subsequent to the Audit Period.</p>

**In Home Program – MARSCare  
January 1, 2013 Through December 31, 2014**

**HIGHLIGHTS OF RECOMMENDATIONS**

ODP and OLTL should:

- Review MARS' new internal control procedures that were recently put in place to verify that adequate documentation, as required by 55 Pa. Code Chapters 51 and 52, is prepared and retained.

MARS should:

- Continue to review their internal controls to ensure that billed claims are supported by adequate, complete and consistent documentation.

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

**Results of Fieldwork**

Four SVRSs were examined in order to verify HCBS paid claims. The ODP nursing claims sample is addressed in Finding No. 1 below. The ODP home and community habilitation and companionship claims samples are addressed in Finding No. 2 below. The OLTL personal assistance claims sample was adequately documented.

**Finding No. 1 – PROMISe Nursing Claims Were Not Supported by Adequate Documentation.**

A SVRS of nursing service claims was analyzed for supporting documentation to determine the validity of each paid claim. The documentation included Individual Service Plans (ISP), time records and daily activity notes.

The principal deficiency was that daily activity notes were not prepared for each nursing session billed by MARS and reimbursed through PROMISe. The error rate was extrapolated over all nursing reimbursements for the Audit Period. As a result, total questioned costs related to the inadequate records are \$29,205.<sup>1</sup>

**Recommendations**

The BFO recommends that ODP recover \$29,205 from MARS due to claims that were inadequately documented.

Additionally, the BFO recommends that MARS only claim reimbursement for services that are supported by adequate, complete and consistent documentation.

**Finding No. 2 – Deficiencies in Internal Controls Resulted in Numerous Billing Errors.**

For reimbursements of home and community habilitation and companionship services, the BFO analyzed two SVRSs of claims. The analyses revealed numerous instances of overbillings and under billings. When the overbillings were offset against the under billings, the net discrepancies in each sample were approximately 1% of the total sampled reimbursements such that further examination and extrapolation was not warranted.

<sup>1</sup> 55 Pa. Code Chapter 51, §51.13 Ongoing Responsibilities of Providers, §51.15 Provider Records and §51.16 Progress Notes. Also 55 Pa. Code Chapter 1101 §1101.11 General Provisions and §1101.51 Ongoing Responsibilities of Providers.

**In Home Program – MARSCare  
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Although the net dollar variances were low, the error rates were high which would indicate a lack of effective internal controls. The deficiencies included combining both services on the same time sheet and using checklists to describe the services that were rendered without relating them to progress toward the goals stated in the consumers' ISPs. ODP requires a service note each time a home and community habilitation service is provided. The service note must relate the services provided to the desired outcomes in the consumer's ISP and include the consumer's progress towards the desired outcomes. MARS did not ensure that adequate supporting documentation was on hand before billing for the services.

Management stated that internal controls have been improved since the Audit Period to correct or mitigate these internal control billing deficiencies.

**Recommendations**

The BFO recommends that ODP and OLTL review MARS' new internal control procedures that were recently put in place to verify that adequate documentation as required by 55 Pa. Code Chapter 51 and 52 is prepared and retained.

The BFO also recommends that MARS should continue to review its internal controls to ensure that billed claims are supported by adequate, complete and consistent documentation.

**Exit Conference/Summary**

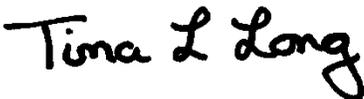
MARS' response to the audit report is attached and labeled Appendix B. MARS is in agreement with the report's findings and recommendations and did not request an exit conference. MARS has implemented additional internal controls to prospectively correct the deficiencies described in the audit report.

In accordance with our established procedures, an audit response matrix will be provided to ODP and OLTL. Once received, the program offices 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 the program offices' 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. Angela Episale           Ms. Rochelle Zaslow  
          Ms. Kim Barge                Ms. Patricia McCool  
          Mr. Grant Witmer            Mr. Shawn Kepner  
          Mr. Michael Luckovich       Mr. Timothy O'Leary

bc: Mr. Alexander Matolyak  
Mr. Daniel Higgins  
Mr. David Bryan  
Mr. Grayling Williams  
Ms. Shelly Lawrence  
SEFO Audit File (S1409)

**IN HOME PROGRAM, INC. d/b/a MARSCare**

**APPENDIX A**

## **APPENDIX A**

### **Background**

In Home Program, Inc. d/b/a MARSCare (MARS) was incorporated in Pennsylvania on November 7, 2008. MARS serves consumers who are approved by ODP, OLTL and the Office of Medical Assistance Programs (OMAP). The Department of Human Services (DHS) funds waiver eligible services which are paid through the PROMISe reimbursement process. OMAP claims were not analyzed during this audit.

### **Objective/Scope/Methodology**

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

- To determine if MARS 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 Chapters 51 and 52, 55 Pa. Code Chapter 1101 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed DHS personnel and MARS' management. We also analyzed care-giver time sheets, daily activity notes, billing data, PROMISe reimbursement data, criminal background check documentation, electronic records available in the Home and Community Services Information System (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 finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding 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, there was a material deficiency in compiling complete and consistent billing records. Areas where we noted an opportunity for improvement in management controls are addressed in the finding of this report.

The BFO's fieldwork was conducted intermittently from April 14, 2015 to May 4, 2015 and was performed in accordance with GAGAS. This report is available for public inspection.

### **Conclusion on the Objective**

In conclusion, MARS did not completely meet the documentation requirements for reimbursement of PROMISe claims for several consumers. Incomplete nursing service documentation of daily activity notes resulted in questioned costs of \$29,205.

**IN HOME PROGRAM, INC. d/b/a MARSCare**  
**RESPONSE TO THE DRAFT REPORT**  
**APPENDIX B**



At Home With Our Families

July 17, 2015

Mr. Daniel Higgins, Audit Manager  
Division of Audit and Review  
Bureau of Financial Operations  
Department of Human Services



Dear Mr. Higgins:

I am forwarding this to you in response to the draft performance audit report of In Home Program, Inc. d/b/a MARSCare (MARS) that we have received and reviewed.

We are not requesting an exit conference. We would like to recognize and express our appreciation for the clear and professional manner by which your staff conducted this audit. These occurrences are never easy but your staff's interactions with us and their demeanor made this process proceed in a direct and minimal stress manner.

We find no fault or objection to the findings identified in the report.

We wish to further address the current status of the identified items.

Finding No. 1 – PROMISE Nursing Claims were not supported by adequate documentation.

The inadequate documentation was due to the non-use of the second page of our nursing visit progress note. The second page is a narrative description of the visit. This practice was corrected in later 2013 as was seen by the auditing staff. The use of both pages remains in place currently and we believe MARSCare to be in full compliance with this requirement.

Finding NO. 2 – Deficiencies in Internal Controls Resulted in Numerous Billing Errors.

The audit demonstrated problems in the areas of ODP Home and Community Habilitation and Companion Services. One major underlying cause of the issues noted was the use of a single documentation format to document both of these services. Prior to the audit, new separate forms were developed and put in place. These forms were presented to the audit team and they recommended some revisions which were completed and the forms are now in current use. Please see the attached "Home and Community Habilitation Services Record" and the "Weekly Companion Service Record" forms.

We stated at the time of the audit that our internal controls regarding the billing process had been enhanced since the service period covered by the audit. The first step was the creation and implementation of a new management position titled "Director of Revenues" whose responsibilities are

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primarily the oversight of the entire billing process. This position was filled and subsequently the attached procedures were put into place. Please see "Review of Claims."

We hope that the above addresses the concerns raised in the report. MARSCare is dedicated to providing quality care to all of our consumers and we will continue to monitor, adjust and improve our procedures to be in full compliance.

Sincerely,

A handwritten signature in cursive script that reads "Paul E Mac Donald". The signature is written in black ink and is positioned above the printed name and title.

Paul E Mac Donald  
CEO





743 North 24<sup>th</sup> Street, Phila., PA 19130  
215-763-3992

**THRIVING IN THE COMMUNITY PROGRAM**  
**Home and Community Habilitation Service Record**

To be used for **HCH Services** with ODP Waivers

Employee's Phone #: \_\_\_\_\_

Consumer: \_\_\_\_\_ (Please Print)  
Direct Care Worker: \_\_\_\_\_ (Please Print)

Date: \_\_\_\_\_ Day of the Week: \_\_\_\_\_

Time In: \_\_\_\_\_ AM/PM Time Out: \_\_\_\_\_ AM/PM

**GOALS: (number each goal)**

**Actions Taken: (list goal number then describe actions)**

**Consumer Response**

**Results: (Barriers to service delivery or progress observed)**

Consumer Signature & Date

Direct Care Worker Signature & Date



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## THRIVING IN THE COMMUNITY PROGRAM WEEKLY COMPANION SERVICE RECORD

To be used for Companion Services with ODP Waivers

Employee's Phone #: \_\_\_\_\_

Consumer: \_\_\_\_\_  
(Please Print)

Direct Care Worker: \_\_\_\_\_  
(Please Print)

<b>Companion Services</b>							
ISP Goals:							
	Sun	M	T	W	TH	F	Sat
Please Record the # of Hours provided Each Day							
Support w/ Social & Leisure (record # of hrs.)							
Monitoring for Safety (record # of hours)							
Please Enter the Number of Times Each Below is Performed Each Day							
Assist W/ Self-administered Medications							
Assist with Eating & Drinking							
Assist with BADL's							
Assist with IADL's							
Assist with Ambulation							
Transfer Activities							
Assist with Meal Planning & Prep							
Other: (specify)							
Note any area of concern:							
Note any progress toward independent functioning:							

Direct Care Worker's Record of Time Worked			
	Date	IN	Out
Sunday		am / pm	am / pm
		am / pm	am / pm
Monday		am / pm	am / pm
		am / pm	am / pm
Tuesday		am / pm	am / pm
		am / pm	am / pm
Wednesday		am / pm	am / pm
		am / pm	am / pm
Thursday		am / pm	am / pm
		am / pm	am / pm
Friday		am / pm	am / pm
		am / pm	am / pm
Saturday		am / pm	am / pm
		am / pm	am / pm

CONSUMER SIGNATURE	
Sunday	
Monday	
Tuesday	
Wednesday	
Thursday	
Friday	
Saturday	

Date	Direct Care Worker Signature



# MEMO

To: File

From: [REDACTED]

Date: March 31, 2015

Subject: Procedure for Review of Claims

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The procedure below is to be followed to ensure all claims are supported by adequate and complete documentation. The procedure consists of three stages, performed by assigned staff, which must be a different person for each stage.

**1. Prior to Data Entry**

These procedures identify and confirm both frequency and duration of provided services.

All submitted progress notes and documentation are reviewed for completeness including patient and staff signatures, legibility, correct dates and times, no crossed out information, etc.

**2. Invoices are Prepared**

Once the invoices are prepared, a comparison of the invoices and the original documentation is done to identify any discrepancies. Any discrepancies found are corrected prior to claim submission.

**3. After Claim Submission**

A sampling of submitted claims and original documentation are audited monthly to measure the performance and consistent application of the internal control procedures.