



October 20, 2014

Ms. Mia Bartoletti
Vice President
CareGivers America, LLC
718 South State Street
Clarks Summit, Pennsylvania 18411

Dear Ms. Bartoletti:

I am enclosing the final audit report of Caregivers America that was recently completed by this office. Your response has been incorporated into the final report and labeled as an Appendix.

The final report will be forwarded to the Office of Developmental Programs (ODP) and the Office of Long Term Living (OLTL) to begin the Department's audit resolution process. The staff from ODP and OLTL may be in contact with you to follow-up on the action taken to comply with the report's recommendations.

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

Sincerely,

A handwritten signature in black ink that reads "Tina L Long". The signature is written in a cursive, flowing style.

Tina L. Long, CPA
Director

Enclosure

c: Mr. Jay Bausch
Ms. Bonnie Rose
Mr. Stephen Suroviec
Ms. Angela Episale
Mr. Robert Conklin
Ms. Patricia McCool
Ms. Deborah Donahue

bc: Mr. Alexander Matolyak
Mr. Brian Pusateri
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
NEFO Audit File (N1304)

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.



October 20, 2014

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

Dear Deputy Secretary Harris:

In response to a request from the Office of Developmental Programs (ODP) and the Office of Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated a performance audit of CareGivers America, LLC (CGA). The audit was designed to determine if documentation is present to support payments from the Provider Reimbursement and Operations Management Information System (PROMISE) for client care. The audit period was January 1, 2011 through December 31, 2012.

This report is currently in final form and therefore contains CGA's views on the findings and recommendations. CGA's response to the draft audit report is included as Appendix B. No changes were made to the draft report as a result of CGA's response.

Executive Summary

FINDING	SUMMARY
<p>Finding No. 1 – CGA Billed PROMISE For Claims That Did Not Adhere to ODP Time Requirements</p>	<p>Exceptions were identified in ODP claims for time requirements resulting in questioned costs of \$34,310.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>CGA should:</p> <ul style="list-style-type: none"> • Not bill for units of service when service time does not meet the threshold for ODP services. • Design and implement an effective system of internal controls over PROMISE billings. <p>ODP should:</p> <ul style="list-style-type: none"> • Recover \$34,310 for overbilled waiver services that occurred during the audit period. • Ensure that CGA designs and implements an effective system of internal controls over PROMISE billings. 	

CareGivers America, LLC
January 1, 2011 through December 31, 2012

FINDING	SUMMARY
Finding No. 2 – CGA Billed PROMISE For Claims That Did Not Adhere to OLTL Time Requirements	Exceptions were identified in OLTL claims for time requirements resulting in questioned costs of \$11,884.

HIGHLIGHTS OF RECOMMENDATIONS
<p>CGA should:</p> <ul style="list-style-type: none"> • Not bill for units of service when service time does not meet the threshold for OLTL regulations. • Design and implement an effective system of internal controls over PROMISE billings. <p>OLTL should:</p> <ul style="list-style-type: none"> • Recover \$11,884 for overbilled waiver services that occurred during the audit period. • Ensure that CGA designs and implements an effective system of internal controls over PROMISE billings.

FINDING	SUMMARY
Finding No. 3 – Dates of Service Billed Did Not Always Match the Dates of Service on Supporting Documentation	Dates on supporting documentation provided by CGA did not always match the beginning and ending dates of service entered in PROMISE.

HIGHLIGHTS OF RECOMMENDATIONS
<p>CGA should:</p> <ul style="list-style-type: none"> • Improve its billing procedures to ensure that accurate beginning and ending dates are entered into PROMISE. <p>OLTL should:</p> <ul style="list-style-type: none"> • Ensure that CGA enters the correct dates of service into PROMISE.

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

Results of Fieldwork

Finding No. 1 – CGA Billed PROMISe For Claims That Did Not Adhere to ODP Time Requirements.

A number of CGA’s clients receive services authorized under various waiver programs. Timesheets for caregivers who provide these services are generated by CGA’s telephony time management system, through which each caregiver’s time with a client is recorded. The system effectively replaces the use of manual timesheets.

ODP’s Service Definitions Narrative for the Consolidated and Person/Family Directed Support Waiver, Administrative Services, and Base-Funded Services (effective July 1, 2010), page 7, states, "The 15 minute unit of service will be comprised of 15 minutes of continuous or non-continuous service within the same calendar day. The full 15 minutes of service must be rendered within the same calendar day in order for a unit of service to be billed. This applies to all services that use a 15 minute unit."

The BFO examined supporting documentation for PROMISe payments during the audit period. The BFO discovered instances where the provider entered claims into PROMISe which did not meet the time standards stated above. CGA reported that their telephony computer system rounded up to whole units.

Exceptions involving duration were identified in ODP waiver claims for Companion, Habilitation Level 3, Habilitation Level 3 Enhanced, Habilitation Level 4, and Respite services. When the BFO extrapolates the unsupported dollar percentages over the populations of each of the first four types of ODP services listed above, it results in the following questioned costs:

Companion Services	\$4,696
HAB Level 3 Services	26,174
HAB Level 3 Enhanced Services	2,438
HAB Level 4 Services	716

Additionally, the BFO identified an error in the ODP Respite Services totaling \$286. As this was the only error identified within the sample, the BFO did not extrapolate the amount over the entire population. Therefore, the total ODP questioned costs for the period are \$34,310.

Recommendations

The BFO recommends that CGA:

- Does not bill for units of service when service time does not meet the threshold for ODP services.
- Design and implement an effective system of internal controls over PROMISe billings.

The BFO recommends that ODP:

- Recover \$34,310 for overbilled waiver services during the audit period.
- Ensure that CGA designs and implements an effective system of internal controls over PROMISe billings.

Finding No. 2 – CGA Billed PROMISe For Claims That Did Not Adhere to OLTL Time Requirements.

As stated in Finding No. 1, CGA uses a telephony time management system to document workers' time spent with clients, eliminating the need for manual timesheets. Pursuant to regulations at 55 Pa. Code § 52.42(d), Payment policies: "The Department will only pay for a service in the type, scope, amount, duration and frequency as specified on the participant's service plan as approved by the Department." OLTL has defined a 15-minute billable unit as more than 7 ½ minutes of billable activity, not to exceed 15 minutes.

Exceptions were identified in OLTL claims that did not meet the greater than 7 ½ minute threshold for Personal Assistant Services (PAS) and Light Housekeeping services. When the BFO extrapolates the unsupported dollar percentages over the entire population of each type of OLTL service, it results in the following questioned costs:

Personal Assistant Services	\$11,318
Light Housekeeping Services	<u>566</u>
TOTAL OLTL	\$11,884

Recommendations

The BFO recommends that CGA:

- Not bill for units of service when service time does not meet the threshold for OLTL services.
- Design and implement an effective system of internal controls over PROMISe billings.

The BFO recommends that OLTL:

- Recover \$11,884 for overbilled waiver services that occurred during the audit period.
- Ensure that CGA designs and implements an effective system of internal controls over PROMISe billings.

Finding No. 3 –Dates of Service Billed Did Not Always Match the Dates of Service on Supporting Documentation

The CMS-1500 Billing Guide for PROMISe Vendors Version 2.18, page 9 states, "If the same service was provided on consecutive days, enter the first day of the service in the From column and the last day of service in the To column.... If the dates are not consecutive, separate claim lines must be used." 55 Pa. Code § 52.43(h)(2), Long-Term Living HCBS (Audit requirements), states, "A provider shall maintain books, records and documents that support: ... The dates of service provision."

The BFO compared the dates of service from the PROMISe billing system to the dates of service from documents provided by CGA for OLTL services. The BFO noted that the dates on supporting documentation provided did not always match the beginning and ending dates of service that were entered into PROMISe.

The BFO was able to verify that claims entered by CGA for ODP services accurately reflected the dates of service.

Recommendations

The BFO recommends that CGA:

- Improve its billing procedures to ensure that accurate beginning and ending dates are entered into PROMISe.

The BFO recommends that OLTL:

- Ensure that CGA enters the correct dates of service into PROMISe.

Auditor's Commentary

CGA's response addresses the use of the telephony system of capturing time data for their employees that work with the various consumers. The BFO does not take exception to the telephony system.

ODP's requirement is that a full 15 minutes of service must be provided to the consumer in order to have a billable unit; services that are under 15 minutes in length cannot be billed as a unit and there is no rounding. This is the reason for the questioned costs in Finding No. 1.

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



The response to each recommendation should indicate the program office'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

CAREGIVERS AMERICA, LLC

APPENDIX A

Appendix A

Background

CareGivers America, LLC (CGA) is a privately owned company based in [REDACTED] that provides Home and Community Based Services (HCBS), home health nursing and therapy, and other services. Its HCBS services are funded by the Office of Long Term Living and the Office of Developmental Programs. CGA currently has 20 offices and outpatient centers located primarily in [REDACTED]. The agency also has offices in [REDACTED].

The agency utilizes a telephony timekeeping system designed specifically for companies sending home care aides or other health professionals into the home. The system provides CGA with a secure and reliable method of recording their caregivers' attendance. The system calculates the actual work time and converts it into units of service to be billed.

Payments to CGA for waiver services billed through the PROMISe system totaled \$26,298,474 for the period January 1, 2011 through December 31, 2012.

Objective, Scope and Methodology

Our audit objective was:

- To determine the accuracy of CGA's PROMISe billings for calendar years 2011 and 2012.

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

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objectives described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of their effectiveness.

Based on our understanding of the controls, certain material deficiencies came to our attention. Areas where we noted material deficiencies or an opportunity for improvement in management controls are addressed in the findings of this report.

Our fieldwork was performed intermittently between February 18, 2014 and March 7, 2014. A closing conference was held with CGA management on April 18, 2014 to discuss the results of the audit. In addition, an exit conference was held with CGA's management on October 15, 2014. This report is available for public inspection.

Conclusion on the Objective

In conclusion, CareGivers America billed for services which did not meet the OLTL or ODP time requirements. The total questioned costs are \$11,884 for OLTL and \$34,310 for ODP, respectively. Additionally, the dates CGA entered into PROMISe for OLTL services did not accurately reflect the dates the services were provided.

CAREGIVERS AMERICA, LLC
RESPONSE TO THE DRAFT REPORT

APPENDIX B



August 28, 2014

Brian Pusateri, Audit Manager

Bureau of Financial Operations

Department of Public Welfare

Scranton State Office Building, Room [REDACTED]

Dear Mr. Pusateri:

Please accept this letter in response to the "draft" performance audit report that was sent to our agency in a letter dated May 28, 2014. Our agency would like to formally request an exit conference. We appreciate your accommodation to extend the 40 day requirement for hosting this conference.

For your consideration and review, we have included below our non-concurrence with your findings for the following reasons:

CareGivers America utilizes a telephony timekeeping system that records a worker's time in and time out to the minute. The worker must clock in and out from their shift using a phone number that is programmed into the telephony system and is considered a participant's landline phone number. This ensures that when a worker clocks in and out, they are with the participant.

While this system helps to prevent fraud, abuse and waste by requiring the worker to be in the participant's home at the start and end of a shift, it does present the following challenges when documenting the number of minutes worked in a 15 minute period:

1. The telephony system does not consider the time that it takes to arrive or depart from the participant's home, greeting the participant and/or family and making their way to the participant's telephone to clock in. Frequently, during this time, our workers are addressing goals with the participants, but are not tracking their time through telephony system.
2. Frequently, due to participant request or due to the nature of home and community based services, additional documentation is required beyond what can be recorded in the home. For instance, "tasks" (telephony goals/outcome statements describing the activity performed by the worker) can be entered from the worker's home

computer for a period of time following the end of the shift. This allows workers to complete necessary documentation without interrupting the participant's schedule or unnecessarily delaying departure from a home environment. Workers can also use this online feature to document unusual circumstances that are not appropriately documented with the use of a telephony task.

3. Frequently, workers are required to submit documentation to their managers regarding incidents, concerns, or other confidential information that may not be appropriate to discuss in front of the participant. In a facility setting, this conversation could more easily be handled during billable hours, but due to the nature of home and community based services, our workers frequently spend unbillable time reporting concerns and discussing issues with managers, supports coordinators, and other service workers. This time cannot be captured in a telephony record.
4. It is extremely difficult, if not impossible, to ask workers to arrive at a customer's home to the exact minute of the schedule shift and to leave in an increment that extends in exact 15 minute units, as suggested by the Office of Developmental Program regulations. We have attempted to do this using our telephony system and found that differences in the actual time of day captured by phones, watches, computers, and other timekeeping mechanisms makes it extremely difficult to capture time in exact increments of 15 minutes. This is even more complicated by the nature of home and community based services, where participants can easily distract and affect the ability of the worker to physically make contact with a phone to complete their time in and time out.
5. With one program office accepting the ability to round units to the nearest 7 ½ minutes, it can safely be assumed that the Department of Public Welfare has acknowledged the use of telephony systems as an acceptable method for time keeping. We ask that the Department of Public Welfare extend this recognition to all programs to allow the prevention of fraud, waste, and abuse through accurate time keeping methodologies.

Because the identified “overbilled waiver services” amounts are all based on the rounding of minutes as captured by our agency’s telephony system, we ask that you please consider the above information carefully in determining your final report.

Sincerely,



Mia Bartoletti

President

CareGivers America, LLC

718 South State Street

Clarks Summit, PA 18411

