



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

August 6, 2018

Ms. Monique Powell, President  
Abundant Living Health and Wellness Services, LLC  
155 North Craig Street, Suite 150  
Pittsburgh, Pennsylvania 15213

Dear Ms. Powell:

I am enclosing for your review the final performance audit report of Abundant Living Health and Wellness Services, LLC (ALHWS), 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 July 1, 2014 through June 30, 2016.

I would like to extend my appreciation for the courtesy and cooperation extended to my staff during the course of the fieldwork.

The final audit 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 the OLTL will be in contact with you to follow up on the corrective actions taken to comply with the report's recommendations.

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

Sincerely,

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

Tina L. Long, CPA  
Director

Enclosure

c: Ms. Carolyn Ellison  
Mr. Kevin Hancock  
Mr. Michael Hale  
Ms. Peggy Morningstar  
Ms. Kim Barge

August 6, 2018

Ms. Leesa Allen, Executive Deputy Secretary  
Department of Human Services  
Health & Welfare Building, Room 334  
Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Allen:

The Bureau of Financial Operations (BFO) conducted a performance audit of Abundant Living Health and Wellness Services (ALHWS). The audit was designed to determine the sufficiency of documentation to support payments from the Provider Reimbursement and Operations Management Information System (PROMISe) for client care. Our audit covered the period from July 1, 2014 to June 30, 2016 (Audit Period).

This report is currently in final form and therefore contains ALHWS' views on the findings, conclusions and recommendations. ALHWS' response to the draft audit report is included as Appendix D.

**Summary of Conditions and Questioned Costs**

<b>Description of Condition</b>	<b>Location of Details</b>	<b>Questioned Costs</b>
1 - ALHWS Did Not Have Adequate Support for Certain Paid Service Coordination Claims	Appendix A, Finding No. 1	\$125,399
2 - ALHWS Did Not Have Adequate Support for Certain Paid Non-Medical Transportation Claims	Appendix A, Finding No. 2	\$103,493
3 - ALHWS Did Not Have Adequate Support for Certain Paid Accessibility/Home Adaptation Claims	Appendix A, Finding No. 3	\$194,865
4 - Internal Control Weaknesses Resulted in Questioned Costs	Appendix A, Finding No. 4	\$0
5 - Appearance of a Conflict of Interest	Appendix A, Finding No. 5	\$0
	<b>Total</b>	<b>\$423,757</b>

**See Appendix A for the Details of the Audit Findings.**

**See Appendix B for the Background, Objective/Scope/Methodology, and Conclusion on the Objectives.**

**See Appendix C for the Analysis of Questioned Costs.**

**See Appendix D for the ALHWS' Response to the Draft Report.**

**Exit Conference/Auditor's Commentary**

An Exit Conference was held with ALHWS' management on March 29, 2018 to discuss the results of the audit and ALHWS' response to the draft report.

In its response to Finding No. 1, ALHWS states, "As the same procedure was being completed for each participant, there would be no reason for any variation in the amount of time it took the service coordinators to complete each task." The BFO found that ALHWS billed the same units regardless of the type of Non-Medical Transportation (NMT) services provided. ALHWS is contending that bus passes, cab tickets, mileage reimbursement, etc. would always require the same amount of time to review and process which is not plausible.

ALHWS further states, "In a month where a service coordinator completed Non-Medical Transportation (NMT) coordination services for a participant who also received inpatient services that same month, the billing period would necessarily overlap. ALHWS ensured that it billed appropriately for service coordination services in these scenarios." Service Coordination billings for NMT services should be billed for the period that the work was performed. Additionally, consumers that are in an inpatient facility should not be receiving transportation services during their inpatient stay.

In its response to Finding No. 2, ALHWS states, "ALHWS also maintains an NMT policy, which is provided to each participant who receives a Connectcard or Yellow Cab Coupon Booklet. The policy states: 'Whenever possible, family, neighbors, friends and community agencies which can provide this service without charge should be utilized.'" The Service Coordination Entity (SCE) is responsible for its billings to PROMISE. Quoting the regulations to the consumer does not absolve the SCE of its responsibility for its billings.

In its response to Finding No. 3, ALHWS states, "ALHWS believed that the documentation that OLTL relied on to approve accessibility/home adaptation claims was sufficient documentation to support those claims. If it were not sufficient documentation, ALHWS does not understand why these claims were consistently approved." It is the SCE's responsibility to ensure that their billings to PROMISE are adequately supported and reasonable for the scope of services that were provided. Additionally, evidence of payment to the provider without additional documentation does not adequately supported the billing.

ALHWS further states, "Participant "freedom of choice" is of the utmost importance to ALHWS. As such, participants were given the opportunity to select the contractor who would complete the accessibility/home modifications." While provider choice is important, this consideration does not absolve ALHWS of the documentation requirements cited in Appendix A, Finding No. 3.

In its response to Finding No. 5, ALHWS states, "OLTL has been given documentation regarding the ownership and structure of ALHWS on numerous occasions, including during its application and re-validation processes." During the exit conference, the BFO provided the revalidation documents received by OLTL from both ALHWS and Loving Kindness Healthcare Systems (LKHS). While both documents did show common owners, neither document indicated that there was any common ownership between ALHWS and LKHS.

Abundant Living Health and Wellness Services  
July 1, 2014 through June 30, 2016

In accordance with our established procedures, an audit response matrix will be provided to the Office of Long-Term Living (OLTL). Once it is 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

**Abundant Living Health and Wellness Services**  
**APPENDIX A**

**Appendix A – Audit Findings**  
Abundant Living Health and Wellness Services  
July 1, 2014 through June 30, 2016

**Finding No. 1 – ALHWS Did Not Have Adequate Support for Certain Paid Service Coordination Claims**

**Condition** (“What was found?”)

ALHWS was paid \$203,351 for 11,012 units of service coordination that were billed through PROMISE. There were no notes in the Home and Community Services Information System (HCSIS) or other documentation to support \$12,285 of the \$20,210 sampled. An additional \$4,290, representing 232 units, were identified as outliers and tested separately from the sample.

ALHWS generally billed a flat rate of 4 units (1 hour) for processing Non-Medical Transportation per consumer each month. This flat rate billing practice raises concerns regarding its validity as it is unlikely that each consumer required no more or no less than 4 units of service each month.

Additionally, on three separate occasions, ALHWS’ billing period overlapped with inpatient billings when a consumer was admitted into an inpatient facility.

**Criteria** (“What should it be?”)

Providers must maintain records that adequately support the units that they submit for reimbursement as specified in the following Code sections:

- 55 PA Code, Chapter 52,
  - § 52.14 (g)(2) Ongoing Responsibilities of Providers
  - § 52.15 (a)(2) Provider records
  - § 52.42 (d) Payment Policies
  - § 52.43 (h)(1) and (2) Audit Requirements
  
- 55 PA Code, Chapter 1101,
  - § 1101.11 General Provisions
  - § 1101.51(d)(1) Ongoing Responsibilities of Providers

**Effect** (“What is the impact?”)

ALHWS billed for units of service that were not supported by adequate documentation, which resulted in extrapolated questioned costs of \$123,920 with a variance of +/- \$11,932.

There were additional questioned costs of \$1,479, which represent 80 unsupported units that were not included in the extrapolated questioned costs since they were identified as outliers.

**Cause** (“Why did it happen?”)

ALHWS did not have adequate policies and procedures in place to ensure that Service Coordination billings represent actual units of service provided to the consumer.

**Appendix A – Audit Findings**  
Abundant Living Health and Wellness Services  
July 1, 2014 through June 30, 2016

**Recommendations** (“What needs to be done to correct it?”)

- ALHWS should maintain proper documentation to support the type, amount, duration, and frequency of services provided.
- ALHWS should only bill PROMISe for authorized units of service that were provided and are supported by adequate documentation.
- OLTL should recover \$125,399 from ALHWS.

**Finding No. 2 - ALHWS Did Not Have Adequate Support for Certain Paid Non-Medical Transportation Claims**

**Condition** (“What was found?”)

ALHWS was paid \$107,056 for Non-Medical Transportation claims that were billed through PROMISe. A Statistically Valid Random Sample (SVRS) of 120 claims was tested by the BFO. ALHWS did not maintain adequate support for \$21,636 of the \$23,370 tested.

In many instances, the support provided was a copy of taxi cab ticket book cover or bus pass with the consumer’s last name written on the passes. Transportation logs were only completed for mileage reimbursement claims. The BFO determined that many of the individuals indicated on the transportation logs as providing the transportation services were family members of the consumer.

ALHWS provided many consumers with monthly bus passes as well as taxi cab tickets, which cost \$97.50 and \$117.50 respectively. The combined passes resulted in ALHWS providing \$215, which was the maximum monthly amount that could be charged at the time, for each consumer without any verification of when or for what purpose the passes were used. As such, there is no assurance that the expenses were necessary.

**Criteria** (“What should it be?”)

Providers must maintain records that adequately support the units that they submit for reimbursement as specified in the following Code sections:

- 55 PA Code, Chapter 52,
  - § 52.14 (g)(2) Ongoing Responsibilities of Providers
  - § 52.15 (a)(2) Provider records
  - § 52.42 (d) Payment Policies
  - § 52.43 (h)(1) and (2) Audit Requirements

- 55 PA Code, Chapter 1011,
  - § 1101.11 General Provisions
  - § 1101.51 Ongoing Responsibilities of Providers

Home and Community-Based Services Waiver - Limits on the amount, frequency, or duration of Non-Medical Transportation Services:

“Whenever possible, family, neighbors, friends or community agencies which can provide this service without charge should be utilized.”

**Appendix A – Audit Findings**  
Abundant Living Health and Wellness Services  
July 1, 2014 through June 30, 2016

**Effect** (“What is the impact?”)

ALHWS billed for 120 claims of Non-Medical Transportation that were not supported by adequate documentation, which resulted in extrapolated questioned costs of \$103,493 with a variance of +/- \$4,437.

**Cause** (“Why did it happen?”)

ALHWS did not have adequate policies and procedures in place to ensure that Non-Medical Transportation billings through PROMISE represent actual reimbursable Non-Medical Transportation expenses incurred by the consumer.

**Recommendations** (“What needs to be done to correct it?”)

- ALHWS should maintain adequate documentation to support Non-Medical Transportation billings.
- ALHWS should also take steps to reduce or eliminate Non-Medical Transportation reimbursements in instances when consumers who can receive transportation without charge from other sources such as family, neighbors, friends, and community agencies.
- OLTL should ensure that ALHWS has procedures in place to confirm that all required documentation is available prior to billing PROMISE.
- OLTL should recover \$103,493 in questioned costs from ALHWS.

**Finding No. 3 - ALHWS Did Not Have Adequate Support for Certain Paid Accessibility/Home Adaptation Claims**

**Condition** (“What was found?”)

ALHWS billed \$243,125 through PROMISE under various Accessibility/Home Adaptations service categories: Home Adaptations <\$6000, Home Adaptations >\$6000, Accessibility Adaptations <\$6000, and Accessibility Adaptations >\$6000. The BFO tested all of these claims for adequacy of supporting documentation.

ALHWS did not maintain signed contracts, before and after pictures, and/or work completion consumer sign-offs for many of the claims. ALHWS also submitted many of the claims to PROMISE as having been completed prior to completion and in some cases, prior to the start of construction.

**Criteria** (“What should it be?”)

Providers must maintain records that adequately support the units that they submit for reimbursement as specified in the following Code sections:

- 55 PA Code, Chapter 52,
  - § 52.14 (g)(2) Ongoing Responsibilities of Providers
  - § 52.15 (a)(2) Provider records
  - § 52.42 (d) Payment Policies
  - § 52.43 (h)(1) and (2) Audit Requirements
  - § 52.51 Vendor good or service payment

**Appendix A – Audit Findings**  
Abundant Living Health and Wellness Services  
July 1, 2014 through June 30, 2016

55 PA Code, Chapter 1101,

§ 1101.51 Ongoing Responsibilities of Providers

The documentation provided does not meet the requirements for 55 Pa. Code § 52.51, nor does it meet the expectations detailed in Office of Long-Term Living Bulletin 05-11-07, 51-11-07, 52-11-07, 54-11-07, 55-11-07, 59-11-07 Accessibility Adaptations and Assistive Technology.

**Effect** (“What is the impact?”)

ALHWS billed PROMISE \$194,865 for various Home Adaptation claims billed under Waiver codes W7009, W0140, W0141, and W7008 which were not supported by adequate documentation.

**Cause** (“Why did it happen?”)

ALHWS did not have adequate policies and procedures in place to ensure that Home/Accessibility Adaptation billings through PROMISE were adequately documented.

Additionally, ALHWS did not maintain documentation that shows that the vendor good or service cost was reasonable and did not exceed the cost that is charged to the general public for a similar service.

**Recommendations** (“What needs to be done to correct it?”)

- ALHWS should maintain adequate documentation to support Home/Accessibility Adaptations.
- ALHWS should review 55 Pa. Code § 52.51 related to vendor good or service payments and the instructive OLTL Bulletins, which further provide guidance as to the documentation requirements.
- OLTL should recover \$194,865 in questioned costs from ALHWS.

**Finding No. 4 – Internal Control Weaknesses Resulted in Questioned Costs**

**Condition** (“What was found?”)

The BFO identified the following internal control weaknesses:

- ALHWS did not require Service Coordinator notes to be documented in HCSIS prior to billing PROMISE.
- ALHWS did not require Service Coordinators to complete timesheets and did not have a uniform method for tracking billable Service Coordination units.
- ALHWS did not require transportation logs for many Non-Medical Transportation billings.
- ALHWS did not have a process in place to ensure that home adaptations were obtained at the lowest cost (such as requiring 3 bids), which resulted in costs of \$23,923<sup>1</sup> for a bathroom remodel, \$12,800 for a ramp, and \$11,649 to widen an exterior door.
- ALHWS generally billed home adaptations to PROMISE prior to the service being completed and in many instances before the service had been started.
- ALHWS did not adequately document many of the home adaptations prior to billing PROMISE.

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<sup>1</sup> Costs for a 35 square foot bathroom remodel include \$1,125 for a bathroom vanity, \$1,500 for electrical, \$1,500 for plumbing and an additional \$11,500 for “Materials.”

**Appendix A – Audit Findings**  
Abundant Living Health and Wellness Services  
July 1, 2014 through June 30, 2016

- ALHWS submitted one home adaptation claim, which resulted in the consumer receiving a new bathroom that did not appear to have any new accessible features.

**Criteria** (“What should it be?”)

Effective internal controls should include procedures that are in writing, are used consistently, and are adequate/functional.

Home and Community Based Waiver - Limits on the amount, frequency, or duration of the Home Adaptation Services:

“Home adaptations must be obtained at the lowest cost... Also excluded are those adaptations or improvements to the home that are of general maintenance and upkeep and are not of direct medical or remedial benefit, except when necessary for the addition of an accessible bathroom when the cost of adding the bathroom is less than retrofitting an existing bathroom.”

**Effect** (“What is the impact?”)

Internal control weaknesses contributed to the questioned costs identified in Finding Numbers 1 through 3.

**Cause** (“Why did it happen?”)

ALHWS’ management did not have the proper controls in place to ensure that:

- Service Coordination billings represented actual time spent by the service coordinator.
- Non-Medical Transportation billings represented actual and necessary expenses incurred by the consumer.
- Home Adaptation and Accessibility Adaptation billings through PROMISe are in accordance with the Home and Community Based Waiver limits and are adequately documented.

**Recommendation** (“What needs to be done to correct it?”)

ALHWS should design and implement a reliable system of internal controls to ensure that:

- Service coordination billings to PROMISe reflect actual services provided and are supported by adequate documentation prepared by the service coordinator.
- Non-Medical Transportation reimbursements reflect actual and necessary expenses incurred by the consumer.
- Home adaptation services are properly documented, address a stated need in the consumer’s ISP and are obtained at the lowest cost based on at least 3 bids.

OLTL should continue to monitor ALHWS to ensure that the internal control procedures are implemented and are effective.

OLTL should also consider reviewing Accessibility Adaptations with fewer than three bids for reasonableness.

**Appendix A – Audit Findings**  
 Abundant Living Health and Wellness Services  
 July 1, 2014 through June 30, 2016

**Finding No. 5 – Appearance of a Conflict of Interest**

**Condition** (“What was found?”)

ALHWS, a Service Coordination Entity (SCE), and Loving Kindness Healthcare Systems (LKHS), a Personal Assistance Services (PAS) provider, have common ownership and much of the same executive management albeit in different positions for each company.

Additionally, approximately 57% of ALHWS’ consumers used LKHS for PAS at some point during the audit period.

Name	Title		Ownership interest	
	<u>LKHS</u>	<u>ALHWS</u>	<u>LKHS</u>	<u>ALHWS</u>
[REDACTED]	President	Vice President	51%	33.33%
[REDACTED]	Secretary	Secretary/Treasurer	20%	33.33%
Monique Powell	N/A	President	15%	33.33%
[REDACTED]	N/A	N/A	14%	0.00%

While § 52.28 does not specifically address whether common ownership creates a conflict of interest, it does specifically preclude common executive management, as detailed in the section below.

**Criteria** (“What should it be?”)

55 Pa Code, Chapter 52, section 52.28(d), Conflict Free Service Coordination, states, “An SCE and a provider of a service other than service coordination may not share any of the following:

1. Chief executive officer or equivalent
2. Executive board
3. Bank account
4. Supervisory staff
5. Tax identification number
6. MA Provider agreement
7. Master provider index number.”

**Effect** (“What is the impact?”)

Common control creates an environment whereby the executives of the SCE have a financial interest in consumers choosing their related PAS provider and the ability to persuade consumers in that direction.

**Cause** (“Why did it happen?”)

The owners/executives of ALHWS and LKHS did not maintain an adequate separation of control between the organizations.

**Appendix A – Audit Findings**  
Abundant Living Health and Wellness Services  
July 1, 2014 through June 30, 2016

**Recommendations** (“What needs to be done to correct it?”)

- ALHWS should ensure that individuals in control of the service coordination entity are not also in a position of control over a service provider.
- OLTL should assess the impact of the appearance of a conflict of interest, including any potential recoveries from ALHWS or LKHS that may be warranted.
- OLTL should continue to monitor ALHWS to ensure that appropriate steps have been taken to mitigate or eliminate any conflicts of interest.
- OLTL should determine the risk associated with not including common ownership as a conflict of interest in 55 Pa Code, Chapter 52, section 52.28(d) and consider precluding common ownership in any future revisions to the regulations, or in the interim consider including such a provision in future provider agreements.

**Abundant Living Health and Wellness Services**  
**APPENDIX B**

## Appendix B – Background, Objective/Scope/Methodology, and Conclusion on the Objectives

Abundant Living Health and Wellness Services

July 1, 2014 through June 30, 2016

### **Background**

ALHWS is a service coordination corporation located in Pittsburgh, Pennsylvania that provides Service Coordination, Non-Medical Transportation, and Home Modifications/Adaptations services, which are funded through various federal waiver programs.

### **Objective, Scope and Methodology**

Our audit objectives are shown in the Conclusion on the Objectives section below. In pursuing our objectives, we analyzed available documentation for the audit period, including service notes, client service authorization forms, and other documentation as appropriate.

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 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 below. The applicable controls were examined to the extent necessary to provide reasonable assurance of their effectiveness.

Based on our understanding of the controls, there were deficiencies in compiling and maintaining sufficient documentation for the services that were billed. Areas where the BFO noted an opportunity for improvement in management controls are addressed in the findings and recommendations in this report.

The BFO's fieldwork was conducted from August 2, 2017 to August 17, 2017. An audit closing conference was held on September 8, 2017. An audit exit conference was held on March 29, 2018. This report is available for public inspection.

### **Conclusion on the Objectives**

Objective Number	Audit Objective	Conclusion on the Objective
1	To determine the validity of service coordination claims (W1011) billed through PROMISE for the period July 1, 2014 through June 30, 2016.	ALHWS frequently had inadequate documentation to support claims paid through the PROMISE system for the audit period. This resulted in questioned costs of \$125,399.
2	To determine the validity of non-medical transportation claims (W6110) billed through PROMISE for the period July 1, 2014 through June 30, 2016.	ALHWS frequently had inadequate documentation to support claims paid through the PROMISE system for the audit period. This resulted in questioned costs of \$103,493.
3	To determine the validity of home adaptation/accessibility claims (W0140, W0141, W7008, W7009) billed through PROMISE for the period July 1, 2014 through June 30, 2016.	ALHWS frequently had inadequate documentation to support claims paid through the PROMISE system for the audit period. This resulted in questioned costs of \$194,865.

**Abundant Living Health and Wellness Services**  
**APPENDIX C**

**Appendix C – Analysis of Questioned Costs**  
 Abundant Living Health and Wellness Services  
 July 1, 2014 through June 30, 2016

Abundant Living Health and Wellness Services					
Audit Period:	July 1, 2014 through June 30, 2016				
Procedure Code/Client	Sample Value	Sample Value Questioned	Universe of Paid Claims	Extrapolated/ Total Questioned Costs	Variance (+/-)
W1011	\$ 20,210	\$12,285	\$203,351	\$123,920	\$11,932
W1011 Outliers	4,290	1,479	4,290	1,479	-
W6110	23,370	21,636	107,056	103,493	4,437
W7008	28,260	28,260	28,260	28,260	-
W7009	77,183	77,183	77,183	77,183	-
W0140	16,865	16,865	16,865	16,865	-
W0141	120,816	72,557	120,816	72,557	-
<b>Total:</b>			\$557,821	\$423,757	\$16,369

**Abundant Living Health and Wellness Services  
RESPONSE TO THE DRAFT REPORT**

**APPENDIX D**

March 20, 2018

Mr. Justin Mankey, Audit Manager  
Division of Audit and Review  
Bureau of Financial Operations  
Department of Human Services  
1<sup>st</sup> Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17101

**RE: Abundant Living Health and Wellness Services, LLC – Performance Audit Response**

Dear Mr. Mankey:

This letter serves as Abundant Living Health and Wellness Services, LLC’s (“ALHWS”) Response to the draft performance audit report completed by the Division of Audit and Review (“DAR”). As noted in the February 2, 2018 draft performance audit report, DAR recommends that the Office of Long-Term Living (“OLTL”) receive a refund in the amount of \$423,757 from ALHWS due to alleged insufficient documentation to support claims.

**I. Paid Service Coordination Claims**

DAR recommends that OLTL recover \$125,399 from ALHWS for paid Service Coordination Claims that allegedly lack appropriate documentation. Specifically, DAR contends ALHWS generally billed 4 units for processing Non-Medical Transportation per consumer each month, which raised concerns regarding the validity of the claims. DAR also contends that ALHWS’s billing period overlapped with inpatient billings on three separate occasions. ALHWS disputes these findings.

1. Validity of Claims billing 4 units for processing Non-Medical Transportation

ALHWS followed standard procedures when performing Service Coordination services regarding participants’ Non-Medical Transportation. The same procedures were followed for each participant when service coordinators obtained Port Authority of Allegheny County Connectcards as well as Yellow Cab Coupon Booklets. Following these procedures, the service coordinators spent 4 units of time completing these tasks. Contrary to DAR’s opinion, the fact that ALHWS billed the same amount of units for completing the same task for each program participant supports the validity of the claim. As the same procedure was being completed for each participant, there would be no reason for any variation in the amount of time it took the service coordinators to complete each task.

2. Overlap with Inpatient Billings

ALHWS processes its billing on a calendar month basis. In a month where a service coordinator completed Non-Medical Transportation coordination services for a participant who also received inpatient services that same month, the billing period would necessarily overlap. ALHWS ensured that it billed appropriately for service coordination services in these scenarios.

## **II. Paid Non-Medical Transportation Claims**

DAR recommends that OLTL recover \$103,493 from ALHWS for paid Non-Medical Transportation (“NMT”) claims that allegedly lack appropriate documentation. ALHWS disputes this finding. ALHWS maintains documentation regarding the type, scope, amount, duration and frequency of NMT services received by program participants, pursuant to 55 Pa. Code §52.43.

For participants who receive Port Authority of Allegheny County Connectcards, ALHWS keeps a photocopy of the card labeled with the receiving participant’s name in an NMT binder. For participants who receive Yellow Cab Coupon Booklets, ALHWS maintains a spreadsheet including the following information: the participant’s name, the date the coupon booklet was mailed to the participant, the serial number of the coupon booklet distributed, and the dollar amount of the coupon booklet. ALHWS also maintains an NMT policy, which is provided to each participant who receives a Connectcard or Yellow Cab Coupon Booklet. The policy states: “Whenever possible, family, neighbors, friends and community agencies which can provide this service without charge should be utilized.”

During the exit conference for the Regulatory Monitoring completed by the OLTL Quality Management Efficiency Team in July 2016, OLTL representatives informed ALHWS that appropriate documentation NMT transportation logs including the date and purpose of travel, as well as Yellow Cab receipts, would constitute appropriate documentation for NMT claims. Prior to this date, ALHWS was unaware that these forms of documentation were required for payment, and none of the regulations cited by DAR reference these forms of documentation. Since learning of these requirements, ALHWS has taken steps to remedy its documentation of NMT claims.

## **III. Paid Home Modification Claims**

DAR recommends that OLTL recover \$194,865 from ALHWS for paid home modification claims that are allegedly unsupported by appropriate documentation. DAR also asserts that ALHWS did not have a process in place to ensure home adaptations were obtained at the lowest costs possible or were used for home adaptations that included new features. ALHWS disputes these findings. ALHWS submitted necessary documentation to OLTL to receive approval for all home adaptations. ALHWS also maintained procedures to ensure home adaptations were obtained at the lowest possible cost.

### **1. OLTL Approval of Paid Home Modification Claims**

ALHWS received approval from OLTL for all paid accessibility/home adaptation claims. To receive reimbursement for these claims, ALHWS submitted the bid completed by the participant-selected contractor. On occasion, OLTL would also request a medical opinion by an occupational therapist, physical therapist, or other healthcare professional to support the accessibility/home adaptation request. These documents were the only records requested by OLTL to support these claims. ALHWS was not aware of any additional documentation required by OLTL, as was cited in the draft performance audit report. ALHWS believed that the documentation that OLTL relied on to approve accessibility/home adaptation claims was sufficient documentation to support those claims. If it were not sufficient documentation, ALHWS does not understand why these claims were consistently approved.

## 2. Contractor Choice

Participant “freedom of choice” is of the utmost importance to ALHWS. As such, participants were given the opportunity to select the contractor who would complete the accessibility/home modifications. Pursuant to the requirements of 55 Pa. Code §52.51, ALHWS would ask participants if they knew any contractors that could complete the accessibility/home modifications. ALHWS would also recommend a number of contractors to the participants that ALHWS had found to be reputable, cost effective, and efficient so as to ensure home adaptation costs would not exceed the customary charges for similar services provided to the general public.

Many participants selected the first contractor that would come to their home to complete an estimate, citing the repertoire they established with the contractor during the contractor’s time in the participant’s home. Other participants would choose the first contractor to both avoid the hassle of scheduling multiple appointments and to maintain their privacy. For these reasons, ALHWS acknowledges that it did not always solicit three bids for home adaptations. Contrary to DAR’s opinion, however, the OLTL Bulletin referenced in the draft performance audit specifically states that Service Coordination agencies are not required to obtain three bids.

ALHWS also acknowledges that some home adaptations were billed through PROMISE before the work was started. However, this was a necessity. ALHWS does not have the resources to pay for home adaptation expenses without funding from OLTL. ALHWS would not be able to provide home adaptation services to its program participants without seeking reimbursement prior to the start of projects. Additionally, [REDACTED], the owner of ALHWS and [REDACTED] the accountant for ALHWS were both informed during a November 2012 Home Adaptation Training seminar that billing home adaptations to PROMISE prior to the beginning of a project was permissible.

## IV. Conflict of Interest Findings

DAR asserts that the common ownership shared by ALHWS and Loving Kindness Healthcare Systems (“LKHS”), as well as the number of ALHWS program participants that utilized LKHS for personal assistance services, creates the appearance of a conflict of interest prohibited by 55 Pa. Code 52.28(d). ALHWS disputes this finding. OLTL has been given documentation regarding the ownership and structure of ALHWS on numerous occasions, including during its application and re-validation processes. OLTL never informed ALHWS that adjustments would need to be made to the officers or owners of either ALHWS or LKHS.

## V. Conclusion

ALHWS is committed to providing excellent care to its program participants in compliance with all regulatory guidance. Despite the fact that ALHWS maintains that it was complying with program requirements to the best of its knowledge, and with the approval of OLTL, ALHWS is committed to improvement. Steps have already been taken to implement a number of measures to address the deficiencies cited in the performance audit.

ALHWS is a small licensed home care agency/registry and service coordination agency with a tight operating budget. Refunding OLTL in the amount of \$423,757 would be a significant and burdensome

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expense for the organization which would, at least, disrupt the day to day operations of the organization and its ability to serve ALHWS' program participants. These individuals would likely incur delays in service and would potentially need to transfer to another organization to obtain similar services.

Based on the above, we are requesting that DAR take into consideration the information provided in this response letter and work with ALHWS to negotiate a settlement that best serves the interests of the agency as well as its participants.

Please feel free to contact me if you have any questions or would like to discuss our response to the draft performance audit report.

Very truly yours,

*Monique E. Powell*

Monique E. Powell  
*Signed Electronically*

Cc: Sarah L. Carlins  
Adam Shestak  
John Dumnich