



pennsylvania
DEPARTMENT OF HUMAN SERVICES
BUREAU OF FINANCIAL OPERATIONS

February 10, 2016

Mr. Preston F. Smith, COO
Senior Vice President
Access Services, Inc.
500 Office Center Drive, Suite 100
Fort Washington, Pennsylvania 19034-3234

Dear Mr. Smith:

I am enclosing for your review the final audit report of Access Services Inc. (ASI) 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 April 1, 2013 to March 31, 2015.

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 Joseph Piccolo in completing the audit process.

The final report will be forwarded to the Office of Developmental Programs (ODP) to begin the Department's resolution process concerning the report's contents. The staff from 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
Mr. Rick Smith
Ms. Patricia McCool
Ms. Rochelle Zaslou
Mr. Timothy O'Leary

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Grayling Williams
Ms. Shelley Lawrence
SEFO Audit File (S1413)

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.

February 10, 2016

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

Dear Deputy Secretary Harris:

The Bureau of Financial Operations (BFO) initiated an audit of Access Services, Inc. (ASI). 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 April 1, 2013 to March 31, 2015 (Audit Period).

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

Executive Summary

ASI provides Home and Community Based Services (HCBS) to consumers, such as Home and Community Habilitation, Respite Care, Community Habitation and Residential Habilitation. The services are funded through ODP via the Consolidated and Person/Family Directed Support (P/FDS) federal waiver programs as well as base funding through several counties.

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

FINDINGS	SUMMARY
<p>Finding No. 1 – PROMISe Claims Were not Supported by Adequate Documentation.</p>	<p>The BFO tested statistically valid random samples (SVRSs) of claims for five services for adequacy of supporting documentation. The discrepancies identified related to a lack of daily activity notes¹. Total questioned costs related to those errors are \$3,099,879.</p>

¹ For purposes of this report, the daily activity note is equivalent to the progress note as defined in PA Code 55, Chapter 51, Subsection 51.16(b).

**HCBS Service Coordination, Inc.
January 1, 2013 to June 30, 2014**

HIGHLIGHTS OF RECOMMENDATIONS

ODP should:

- Recover \$3,099,879 for inadequately documented claims.
- Provide technical assistance, as necessary, to ensure ASI has comprehensive knowledge of all applicable regulations.
- Continue to monitor ASI's service documentation for compliance with applicable regulations.

ASI should:

- Ensure that personnel have proper training in the requirements and preparation of daily activity notes and the other documentation required to support the services that were billed.
- Establish adequate monitoring and oversight to ensure that claims submitted through PROMISE are properly documented and in compliance with the applicable regulations.
- Ensure that claims are accurate and are adequately supported by the required documentation before billing.

FINDINGS	SUMMARY
Finding No. 2 –Deficiencies in Internal Controls Resulted in Numerous Billing Errors.	The BFO's analysis of the preparation and monitoring of service delivery documentation revealed weaknesses in supervisory and management controls. Management stated that some inadequacies were remedied during the Audit Period.

HIGHLIGHTS OF RECOMMENDATIONS

ASI should:

- Ensure that staff has the proper training in the requirements as well as the preparation of daily activity notes and other documentation required to support the services that were billed.
- Establish a uniform system of documentation and procedures between work locations and the home office.
- Establish a supervisory review of the claims to ensure they are accurate and in compliance with regulatory requirements.
- Establish adequate monitoring and oversight to ensure that claims submitted through PROMISE are properly documented and in compliance with the applicable regulations.

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

Results of Fieldwork

Finding No. 1 – PROMISE Claims Were not Supported by Adequate Documentation.

The BFO analyzed the service delivery and claims submission documentation for five procedure codes through distinct SVRSs. Proper documentation is required to support the validity of each paid claim. Several errors were uncovered. However, the most prevalent error was insufficient and/or lack of daily activity notes. Other errors resulted from internal control deficiencies (see Finding No. 2) and mistakes.²

² 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.

**HCBS Service Coordination, Inc.
January 1, 2013 to June 30, 2014**

Regarding daily activity/progress notes, PA Code Title 55, Chapter 51, subsection 51.16 (b), states: "A provider shall complete a progress note each time the HCBS is provided if the HCBS is occurring on a less than monthly frequency."

Below is a summary of the results of each of the SVRSs:

SVRS 1 – Home and Community Habilitation Level 3 -15 minutes

The errors consisted of no daily activity notes (36 claims), no original documentation (5 claims), no supporting documentation (1 claim), daily activity notes which did not support the entire claim period (8 claims) and a billing error (1 claim). Extrapolating the unit error amount over the population of claims resulted in questioned costs totaling \$1,670,261 with a variance of +/- \$495,458

SVRS 2 – Respite In Home Level 2 -15 minutes

The errors consisted of no progress notes (13 claims). Extrapolating the unit error amount over the population of claims resulted in questioned costs totaling \$70,858 with a variance of +/- \$33,768.

SVRS 3 – Respite Out of Home Level 2 -24 hours

The errors consisted of no progress notes (95 claims). Extrapolating the unit error amount over the population of claims resulted in questioned costs totaling \$202,834 with a variance of +/- \$23,993.

SVRS 4 – Community Habilitation Level 2

The errors consisted of no progress notes (27 claims), and daily activity notes which did not support the entire claim period (7claims). Extrapolating the unit error amount over the population of claims resulted in questioned costs totaling \$950,841 with a variance of +/- \$349,571.

SVRS 5 – Community Habilitation Level 3

The errors consisted of no progress notes (21 claims), daily activity notes which did not support the entire claim period (9 claims), no documentation (1 claim) and billing errors (2 claims). Extrapolating the unit error amount over the population of claims resulted in questioned costs totaling \$205,085 with a variance of +/- \$93,591.

Total questioned costs for all five SVRSs were \$3,099,879 with an overall variance of +/- \$996,381.

Recommendations

The BFO recommends that ODP recover \$3,099,879 for inadequately documented claims.

The BFO also recommends that ODP provide technical assistance, as necessary, to ensure ASI has comprehensive knowledge of all applicable regulations.

The BFO additionally recommends that ODP continue to monitor ASI's service documentation for compliance with applicable regulations.

**HCBS Service Coordination, Inc.
January 1, 2013 to June 30, 2014**

The BFO further recommends that ASI ensure that personnel have proper training in the requirements and preparation of daily activity notes and the other documentation required to support the services that were billed.

Additionally, the BFO recommends that ASI establish adequate monitoring and oversight to ensure that claims submitted through PROMISE are properly documented and in compliance with the applicable regulations.

Finally, the BFO recommends that ASI ensure that claims are accurate and are adequately supported by the required documentation before billing.

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

The BFO's analysis of ASI's PROMISE claims identified the following internal control weakness:

Daily Activity Notes Were Not Properly Completed: A significant portion of the ASI direct care staff were not completing daily activity notes each time services were provided. In other instances, daily activity notes were provided for only a partial segment of the claim.

Supervisory and Management Oversight: Units of service were submitted to management without daily activity notes; these deficiencies were not discovered and corrected before they were submitted as claims for reimbursement. Our documentation analysis did not indicate any type of supervisory review. A telephone system and software was used to verify the service hours that were provided but detailed documentation of the service was missing.

Inconsistency Between and Within Work Locations: The daily activity notes we analyzed showed inconsistency between offices and staff. For eleven months (April 2013 through February 2014) of the audit period, three work locations did not require the care-givers to prepare any daily activity notes. At other work locations, the templates used to record daily activity notes were not uniform across each office and between staff (i.e., inconsistently completing narratives, using different formats, organizing notes differently such as including or not including objectives, and inconsistently completing sections of the template).

Management stated that personnel changes were made during the audit period. There was an improvement with the rate of claim errors from the beginning of the audit period through the end.

Recommendations

The BFO recommends ASI ensure that staff has the proper training in the requirements as well as the preparation of daily activity notes and other documentation required to support the services that were billed.

The BFO also recommends that ASI establish a uniform system of documentation and procedures between work locations and the home office.

**HCBS Service Coordination, Inc.
January 1, 2013 to June 30, 2014**

Additionally, the BFO recommends that ASI establish a supervisory review of the claims to ensure they are accurate and in compliance with regulatory requirements.

Finally, the BFO recommends that ASI establish adequate monitoring and oversight to ensure that claims submitted through PROMISE are properly documented and in compliance with the applicable regulations.

Exit Conference / Auditor's Commentary

The audit issues, draft audit report and ASI's response to the draft report were discussed at an exit conference that was held on December 16, 2015. ASI asserted that additional documentation was available to support some of the claims that were questioned. On January 8, 2016, the BFO met with ASI management and analyzed the documentation and as a result, the questioned costs were decreased.

The BFO found ASI's arguments regarding the BFO's application of the regulations around progress notes in the response to the draft audit report to be without merit. While ASI was able to produce additional documentation after the audit in support of certain claims, there were other claims that had no documentation and others that had documentation that was clearly insufficient to support the claim that was billed. Additionally, ASI's argument that the BFO should not hold ASI to the Chapter 51 regulations is also without merit, as those are the regulations that the ODP Home and Community Based Service Providers are required to follow.

In accordance with our established procedures, an audit response matrix will be provided to ODP. Once received, ODP 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 ODP'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
- Mr. Rick Smith
- Ms. Patricia McCool
- Ms. Rochelle Zaslow
- Mr. Timothy O'Leary
- Mr. Preston F. Smith

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
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Ms. Shelley Lawrence
SEFO Audit File (S1413)

ACCESS SERVICES, INC.

APPENDIX A

APPENDIX A

Background

Access Services Inc. (ASI) is a non-profit home health care corporation that was founded in 1976. The corporation provides services in 11 counties in northeastern and southeastern Pennsylvania. ASI serves clients who are approved by ODP. ASI provides Community Living Arrangements (CLA), in-home habilitation, personal care, behavioral health community day programs and respite services to consumers with special needs.

ASI assists consumers to acquire and maintain the highest possible level of independent living considering each consumer's particular circumstances. These services are performed in consumers' homes and community settings by ASI personnel.

ODP funds the base and waiver eligible services which are paid through the PROMISe reimbursement process.

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP was:

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

The criteria used to ascertain the adequacy of supporting documentation was 55 Pa. Code Chapter 51, 55 Pa. Code Chapter 1101 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed ODP personnel and ASI management. We also analyzed books, payroll records, care-giver time sheets, daily activity notes, billing data, PROMISe reimbursement data, 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 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, there were material deficiencies in documentation and billing procedures. 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 June 22, 2015 to August 18, 2015 and was performed in accordance with GAGAS. This report is available for public inspection.

Conclusion on the Objective

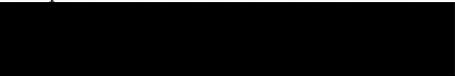
In conclusion, ASI did not meet the documentation requirements for claim reimbursements. For ODP claims submitted for reimbursement after June 30, 2012 daily activity notes, in compliance with 55 Pa. Code Chapter 51, are required. The documentation deficiencies resulted in questioned cost of \$3,099,879.

ACCESS SERVICES, INC.
RESPONSE TO THE DRAFT REPORT
APPENDIX B



December 11, 2015

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



Re: Access Services, Inc. – Response to BFO Draft Audit Report

Dear Mr. Higgins:

Access Services, Inc. (Access) submits this response to the draft audit report issued by the Bureau of Financial Operations (BFO) of the Office of Developmental Programs (ODP) of the Department of Human Services (Department) on October 13, 2015. We appreciate the opportunity to provide these written comments about the draft audit report and to meet with the BFO auditors at the exit conference now scheduled for December 16, 2015.

BFO indicated that its audit was designed to “investigate, analyze and make recommendations regarding the reimbursements” made by the Department to Access for client services during the period April 1, 2013 to March 31, 2015. Access provides home and community based services to consumers with intellectual and developmental disabilities (IDD) funded by ODP. The services provided by Access are intended to help consumers live more productively and independently in their homes and communities and include respite care, home and community habilitation and residential habilitation. These services are dynamic, responsive to the needs of consumers, and focused on the nature and quality of life for the consumer. The services create typical life experiences as a member of the community, one that as closely as possible mirrors the experience of persons not receiving services.

BFO reviewed sample claims submitted by Access for the following five services over the audit period to determine the adequacy of the supporting documentation: [REDACTED] (home and community habilitation), [REDACTED] (temporary respite – 15 minutes), [REDACTED] (out-of-home respite – 24 hours), [REDACTED] (day program) and [REDACTED] (day program). BFO found “discrepancies related to a lack of daily activity notes” and cited to the Department’s regulation at 55 Pa Code §51.16(b).

Main Office:

500 Office Center Drive, Suite 100
Fort Washington, PA 19034-3234
215.540.2150
800.793.2150
215.540.2165 (fax)

Branch Office:

3975 Township Line Road
Bethlehem, PA 18020-4200
610.866.6667
877.896.6667
610.866.2341 (fax)

Branch Office:

340 South Liberty Street
Orwigsburg, PA 17961-2127
570.366.1154
800.200.7701
570.366.7711 (fax)
Mental Health Wellness Center:
570.366.5096 • 570.366.8755 (fax)

BFO then extrapolated the claims error amounts it found by service and fiscal year over the total population of claims submitted by Access for each service over the audit period to question costs in the amount of \$3,260,116. BFO recommended that ODP recover \$3,260,116 from Access for inadequately documented claims for these services.

BFO's principle finding of inadequate supporting documentation relates to its interpretation and strict application of the Department's requirements for progress notes. To that point, Access responds:

(1) Access disagrees with BFO's finding that its progress note documentation did not comply with the requirements communicated to providers. Access initially notes that the Department's requirements for progress notes are not clear.

BFO applied the Department's 55 Pa Code Chapter 51 documentation requirements to the claims submitted by Access throughout the audit period. Section 51.16(a) states that a provider is to complete a monthly progress note for services that occur "at least monthly" to substantiate claims. Section §51.16(b) states a provider is to complete a progress note each time the service is provided for services that occur "on a less than monthly frequency." Section §51.16(c) permits a provider to complete progress notes for multiple services provided to the same consumer on the same form if provided at the same location. Finally, Section §51.16(d) sets forth seven required elements of a progress note, to include: (1) the name of the participant receiving the service; (2) the name of the provider; (3) the name, title, signature and date of the person completing the progress note; (4) the name of the service; (5) the amount, frequency and duration of the authorized and delivered service; (6) the outcome of the service; and (7) a description of what occurred during the delivery of the service.

Access submits that the different time frame requirements in subsections (a), (b) and (c) are confusing and unclear. In addition, all of the elements required in subsection (d) may not apply to the services provided by Access. For example, respite services provide temporary support for the usual caregiver when that person is absent from the home or needs relief. As respite services are not outcome-driven, all of the elements of a progress note required in the regulation should not be applied to determine the adequacy of supporting documentation.

The Department also issued ODP Informational Memo #069-13 on August 29, 2013 to clarify its progress note requirements. That Memo refers to monthly progress notes and also indicates that the monthly progress note can be recorded on different forms or documents.

Access maintains that the client records reviewed by BFO contain the elements referenced in the guidance by the Department to document and support the claims for services, consistent with the standards communicated to providers. For example, see the records for client D.T. at Tab A, which document and support the claim for service. The documentation of services

at all times provided the data needed to meet the Department's standards, even though those standards were not clearly communicated to providers at the time of the claims in question were submitted. Rather than apply the requirements of subsection (d), BFO should have examined and accepted the records maintained by Access for each claim reviewed during the audit.

Access provided the following documentation which showed the service was provided to the consumer on the date in question:

For Procedure Code [REDACTED] (Home and Community Habilitation – Level 2), Access supplied documentation to support each of the 34 claims examined by BFO. Each claim was substantiated by a monthly report which identifies the consumer, the service and the outcome of service provision. Eight of the questioned claims had documentation of each element specified in 55 Pa Code §51.16(d), except a record of the time in/out. Seven (7) of the questioned claims also had daily progress notes recorded within the week of service and/or a quarterly report.

For Procedure Code, [REDACTED] (Home and Community Habilitation – Level 3 - 15 minutes), Access again provided monthly reports substantiating the claim; for some claims, Access again also provided additional daily progress notes supplementing the monthly reports.

For Procedure Code [REDACTED] (Home and Community Habilitation), Access supplied electronic employee time records to support 16 of the 58 errors identified by BFO, which includes the client and staff names, the date of service, identify the service and provide time in/out. Access also provided 11 progress notes to BFO and/or quarterly reports which summarize service delivery over a three month period and outcomes.

For Procedure Code [REDACTED] (Respite, Unlicensed, out of home 24 Hours – Level 2), Access supplied documentation in support of each of the 118 claims examined by BFO, which includes: vouchers listing the dates of service and location of service (in each instance, respite services are provided in the caregiver's own home); respite confirmation agreements, confirming respite services provided in the caregiver's home; and/or internal respite authorization forms, listing of the times respite services were provided.

Finally, for Procedure Code [REDACTED] (Respite, 15 minutes), Access supplied documentation in support of each of the 19 claims examined by BFO, which included: electronic time records that identify client and staff names and identify the service, the date of service, and the time in/out; and quarterly reports documenting services over a three month period.

Access adds that respite services [REDACTED] and [REDACTED] are defined by ODP as services provided to temporarily support the customary caregiver when that person is absent or for relief. Respite services are not outcome-oriented and the requirements of 55 Pa. Code §51.16(d) should not be applied.

In addition, Access made personnel changes and implemented training and other efforts to standardize its practices across work locations in order to follow the guidance, though unclear, from the Department. BFO noted improvements later on in the audit period. That said, Access asserts that its documentation was sufficient throughout the audit period.

2. Access submits that BFO should not have held Access to strict compliance with Chapter 51 to document services admittedly provided.

The Chapter 51 regulations were published by the Department on June 9, 2012 in an expedited rulemaking process without the customary and appropriate input and comment by providers and other stakeholders otherwise required by law in Pennsylvania. The regulations have been the source of considerable controversy since their implementation and the subject of lengthy negotiations between several provider groups, the Department and the Governor's Office. Those negotiations culminated in a Settlement Agreement executed by the Department and certain provider groups dated October 28, 2014, and subsequently amended on February 25, 2015, providing for, among other terms, a workgroup to evaluate the programmatic, operational and reimbursement policies in the Chapter 51 regulations. The Department has now decided that the workgroup should re-write the Chapter 51 regulations to then be issued as Chapter 6100, subject to the customary review and input processes required by law.

ODP by email dated December 2, 2015 issued a "progress note template" to "assist providers in meeting" the Chapter 51 regulations. Because the standards for documentation were not clearly communicated to Access (or other providers) at the time the claims were submitted, BFO should not fault Access for not meeting the language of 55 Pa Code 51.16 when ODP itself did not release a template to provide direction for 2 and ½ years after the regulations themselves were issued.

3. Access does not agree with BFO's method of extrapolating claims to recommend recovery in the amount of \$3,260,116 based on its calculations of claims error rates. Access challenges not only BFO's error rates, as Access believes that many claims included in those error rates were documented by client records, but also its extrapolation methodology based on those error rates.

4. Finally, ODP's recovery of \$3,260,116, as recommended by BFO, will impose extraordinary financial hardship for Access in a time when rates have been reduced and stagnant, unfunded mandates developed outside of any formal vetting process continue to increase expectations, and when there is a waiting list for services approximately 14,000 strong and ever increasing. Access' ability to operate its programs will be severely comprised and it will be forced to curtail services and/or close programs to the great detriment of its clients and their families who value and benefit from Access' services. Access has been a leader in pioneering the movement towards increasing community integration and providing meaningful life

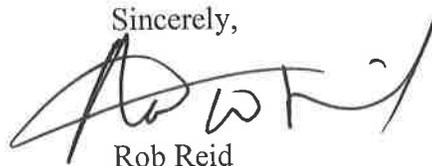
Mr. Daniel Higgins
December 11, 2015
Page 5

opportunities for consumers for decades. Access has a deserved reputation for being collaborative partners with all stakeholders, especially families, who value the focus on quality services and typical life experiences.

For the reasons discussed above, Access does not agree that its claims documentation was deficient or that a recovery is warranted under these circumstances. Access supplied documentation to substantiate its services and should not be penalized as though it had not provided these services, particularly given the Department's insufficient guidance and direction since the inception of Chapter 51 regulations. Accordingly, Access respectfully requests that the recommendation included in the draft audit that ODP recover \$3,260,116.00 from Access be fully rescinded.

If you have any questions, please contact me at [REDACTED] Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Reid', written over a light blue horizontal line.

Rob Reid
Chief Executive Officer

cc: [REDACTED]