



September 23, 2014

Ms. Wendy Williams  
Caremore House Home Care Services, LLC  
1659 East Mayland Street, Suite A  
Philadelphia, Pennsylvania 19138

Dear Ms. Williams:

I am enclosing for your review the final audit report of Caremore House Home Care Services, LLC as prepared by the Division of Audit and Review (DAR). Your response has been incorporated into the final report and labeled as an Appendix. The report covers the period from July 1, 2010 to June 30, 2013.

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

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

Sincerely,

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: Ms. Ann Henry  
Ms. Angela Episale  
Ms. Kim Nagle  
Mr. Michael Luckovich

bc: Mr. Alexander Matolyak  
Mr. Daniel Higgins  
Mr. David Bryan  
Mr. Michael A. Sprow  
Ms. Shelley L. Lawrence  
SEFO Audit File (S1312-P51)

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).

September 23, 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 Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated an audit of Caremore House Home Care Services, LLC (Caremore). The audit was designed to investigate, analyze and make recommendations regarding the reimbursements from the Provider Reimbursement and Operations Management Information System (PROMISE) for client care. Our audit covered the period from July 1, 2010 to June 30, 2013 (Audit Period).

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

### **Executive Summary**

Caremore provides services through participation in the Home and Community-Based Services waiver programs, such as the Act 150, Commcare, Independence and Attendant Care waivers which are funded by OLTL.

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

FINDINGS	SUMMARY
<p><b><i>Finding No. 1 – Most PROMISE 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. Certain costs were questioned due to a lack of time sheets and activity notes. The errors that were identified resulted in questioned costs of \$1,280,902.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>OLTL should:</p> <ul style="list-style-type: none"> <li>• Recover \$1,280,902 for inadequately documented claims and overbilled claims.</li> <li>• Ensure that Caremore has adequate documentation in the form of timesheets and activity notes to support the claims submitted to PROMISE for reimbursement.</li> <li>• Review Caremore's new procedures to verify that level of services and service times are appropriate and that activity note descriptions are prepared and retained in accordance with 55 Pa. Code Chapter 52.</li> </ul> <p>Caremore should:</p> <ul style="list-style-type: none"> <li>• Only claim reimbursements for services that are supported by adequate documentation.</li> </ul>	

**Caremore House Home Care Services, LLC  
July 1, 2010 Through June 30, 2013**

FINDINGS	SUMMARY
<p><b><i>Finding No. 2 – Some Care-givers Did Not Have The Required Criminal Background Clearances on File.</i></b></p>	<p>Caremore did not have criminal background clearances on file for all of its care-givers. This deficiency in program compliance resulted in additional questioned costs of \$39,761.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>OLTL should:</p> <ul style="list-style-type: none"> <li>• Recover \$39,761 due to inadequate documentation of care-givers' eligibility to perform services.</li> <li>• Verify that Caremore conducted and subsequently maintains criminal background checks for all present and future care-givers.</li> </ul> <p>Caremore should:</p> <ul style="list-style-type: none"> <li>• Only claim reimbursements for services that are rendered by care-givers with certified criminal background clearances on files.</li> </ul>	

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

**Results of Fieldwork**

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

A SVRS of claims was selected from the claims reimbursed through PROMISe during the Audit Period. The SVRS consisted of Personal Assistance Service claims. The majority of the services are rendered in the consumers' homes.

The BFO analyzed the underlying documentation to determine the adequacy and validity of each claim in the sample. The documentation included activity notes, employee time sheets as well as other items available in each consumer's physical file. Caremore's management was able to produce the consumer files; the BFO thoroughly reviewed all files and documents presented by Caremore but many time sheets and activity notes could not be located. In addition, Caremore was provided a list of exceptions and allowed additional time to search for relevant documentation; however, no additional information was presented. The BFO compared the number of units authorized in the Individual support plans (ISPs) to the units billed, and verified that the number of units billed did not exceed the number authorized.<sup>1</sup>

The activity notes that were examined consisted of checklists of tasks completed for the benefit of the various consumers. The activity notes that were found were haphazardly filed and not organized in any fashion. BFO was unable to determine why there were so few activity notes because the present administrative staff was not employed at Caremore during the Audit Period. The limited liability member did not offer any explanation as to why the records were in disarray.

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<sup>1</sup>55 Pa. Code Chapter 1101 Section 1101.11 General Provisions and Section 1101.51 ongoing responsibilities of Providers; 55 Pa. Code Chapter 52 Section 52.14 Ongoing Responsibilities of Providers and Section 52.15 Provider Records.

**Caremore House Home Care Services, LLC**  
**July 1, 2010 Through June 30, 2013**

The claims documentation tested contained many exceptions. Of the total dollars comprising our SVRS, 81.48% could not be substantiated because either the time sheet(s) and/or activity note(s) were missing. Extrapolation of this error rate over the total PROMISE reimbursements for the Audit Period results in a disallowance of \$1,280,902.

**Recommendations**

The BFO recommends that OLTL recover \$1,280,902 from Caremore due to inadequately documented and overbilled PROMISE claims.

The BFO also recommends that OLTL ensure that Caremore has adequate documentation in the form of time sheets and activity notes to support the claims submitted to PROMISE.

Additionally, the BFO recommends that OLTL review Caremore's new procedures to verify that the level of services and service times are appropriate, and that activity note descriptions are prepared and retained in accordance with 55 Pa. code Chapter 52.

Finally, the BFO recommends that Caremore only claim reimbursement for services that are supported by adequate documentation.

**Finding No. 2 – Some Care-givers Did Not Have the Required Criminal Background Clearances on File.**

For the 18.52% of PROMISE payments in the SVRS that were adequately supported by time sheets and activity notes, the BFO checked for criminal background clearance documentation for the care-givers who provided those services. Initially, several caregivers did not have criminal background clearances available. However, some additional background checks were presented during the exit conference and the questioned costs were reduced accordingly.

As the services in question are funded through the Medical Assistance program, service providers such as Caremore cannot be reimbursed for services performed by care-givers that did not have criminal background checks. The deficiency in criminal background clearances resulted in additional exception rate of 2.53% and additional questioned costs of \$39,761.

**Recommendations**

The BFO recommends that OLTL recover \$39,761 from Caremore due to inadequate documentation of care-giver eligibility to perform services.

The BFO also recommends that OLTL verify that Caremore maintains criminal background checks for all present and future care-givers.

Finally, the BFO recommends that Caremore only claim reimbursement for services that are rendered by care-givers with certified criminal background checks on file.

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**Exit Conference**

An exit conference was held on August 8, 2014. As stated in Finding No. 2, criminal background clearances were presented and the associated questioned costs were reduced. No other changes were made to the audit report.

In accordance with our established procedures, an audit response matrix will be provided to OLTL. Once received, OLTL should complete the matrix within 60 days and email the Excel file to the 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 from the program office responsible for the corrective action, the expected date that the corrective action will be completed and any related comments.

Sincerely,

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

Tina L. Long, CPA  
Director

- c. Mr. Jay Bausch
- Ms. Anne Henry
- Ms. Kim Nagle
- Mr. Mike Luckovich
- Ms. Angela Episale
- Ms. Wendy Williams

bc: Mr. Alexander Matolyak  
Mr. Daniel Higgins  
Mr. David Bryan  
Mr. Michael A. Sprow  
Ms. Shelley Lawrence  
SEFO Audit File (S1312)



**CAREMORE HOUSE HOME HEALTH SERVICES, LLC**

**APPENDIX A**

## **APPENDIX A**

### **Background**

Caremore is a limited liability company that was created in Pennsylvania on November 9, 2009. The company was established to assist individuals to reach their full potential as productive, socially centered and personally fulfilled individuals by establishing appropriate educational and community programs. Caremore provides personal assistance, residential habilitation, developing cognitive skills and service coordination services to eligible consumers in the Commonwealth of Pennsylvania.

Caremore serves consumers whose services are approved by OLTL. OLTL funds the waiver eligible services which are paid through the PROMISE reimbursement process.

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

The audit objective, developed in concurrence with OLTL was:

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

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

In pursuing this objective, the BFO interviewed OLTL personnel and Caremore's management. We also analyzed books, payroll records, care-giver time sheets, 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 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 May 14, 2014 to June 16, 2014 and was performed in accordance with GAGAS. This report, when presented in final form, will be available for public inspection.

### **Conclusion on the Objective**

In conclusion, Caremore did not meet the documentation requirements for reimbursement for many of its PROMISE claims. Missing time sheets, activity notes and disqualification of care-givers resulted in total questioned costs of \$1,320,663.

**CAREMORE HOUSE HOME HEALTH SERVICES, LLC  
RESPONSE TO THE DRAFT REPORT**

**APPENDIX B**



Caremore House Home Care Services, LLC

Philadelphia, PA 19138

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

Dear Mr. Higgins,

On behalf of \_\_\_\_\_, Chief Executive Officer, and the Caremore House Home Care Services, LLC ("Caremore") management and staff, I first want to thank you and your team members for taking the time to thoroughly assess and audit Caremore. I understand the magnitude of the research necessary in assessing the documentation in the many files audited. We at Caremore are committed to following all state and federal regulatory guidelines, and thereby provide quality services to our consumers. As you are aware, this is the first audit our young company has undergone.

I have carefully reviewed the "draft" performance audit report for Caremore prepared by the Division of Audit and Review, and covering the period from July 1, 2010 through June 30, 2013. The following is Caremore's response to the report. As you can imagine, we are overwhelmed by the results and the financial implications for our business.

Finding No. 1 - Most PROMISe Claims were not supported by adequate documentation. The random sample of 100 claims resulted in the questioning of certain costs due to a lack of time sheets and/or activity notes. While there were time sheets missing for certain caregivers, those caregivers were in fact paid and many had care notes associated with the care given. Since the auditors visited each of the four homes in our operation and found no care issues, and since there have been, to our knowledge, no complaints filed with OLTL by consumers or families regarding care provided, we respectfully request those claims be allowed or significantly discounted from the calculation of damages. Likewise where time sheets are available but care notes missing, in light of the lack of care complaints, we ask that those claims be allowed or significantly discounted from the damages calculation.

Finding No. 2 - Some care-givers did not have the required criminal background clearances on file. Caremore believes that criminal records checks were secured for each of its employees, we believe that the "several care-givers" who did not have those forms on file were a result of missing files or documents. We would like the opportunity to run new criminal checks on the employees who the audit showed missing tests and also see if it can be determine that we had previously secured such record check. Based on those results, we would request that a redetermination be made of the penalty

assessed for this documentation issue. The addition of \$97,658 for "several" missing documents is a huge penalty for missing documents.

As was explained to the auditors, this year we have been able to revise and implement policies and procedures for the documentation of care and to better service our consumers. We have been thorough in abiding by and implementing the Corrective Action Plan provided by OLTL. Furthermore, prior to, during and after the DAR Audit, we have implemented strategic changes that have significantly improved our record keeping for new hires, attendants and caregivers and our consumers. I have brought positive and effective leadership to Caremore, I am teaching and training in organizational skills and accountability across the board for both administrative and caregiving staff. We now have an exceptional team of caregivers who provide excellent care to our consumers and consistently provide therapeutic and nurturing and nurturing care to all our consumers

Thank you very much in advance! I can be reached by telephone at [REDACTED] or e-mail at [REDACTED].

Sincerely,

Wendy R. Williams, MS, LPN

Director of Operations