



October 2, 2014

Ms. Margaret Fortna, Chief Executive Officer
Hands-On Nursing Agency
2035 Weavertown Road
Lebanon, Pennsylvania 17046

Dear Ms. Fortna:

Enclosed for your review is the final audit report of Hands-On Nursing Agency (HON) that was recently completed by this office.

The final 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.

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

If you have any questions please contact Mr. 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, slightly slanted style.

Tina L. Long, CPA
Director

Enclosure

c: Mr. Brendan Harris
Mr. Jay Bausch
Ms. Bonnie Rose
Mr. Michael Hale
Mr. Angela Episale
Mr. Michael Luckovich

bc: Mr. Alexander Matolyak
Ms. Olayemi Gbadamosi
Mr. David Bryan
Mr. Lane Klobucar
Mr. Michael A. Sprow
Ms. Shelly Lawrence
CFO Audit File (C3002)

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 2, 2014

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

Dear Deputy Secretary Harris:

In response to a request from the Department of Public Welfare's (DPW's) Office of Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated an audit of the Hands-On Nursing Agency (HON). 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 that was funded through the Aging Waiver. Our audit covered the period from August 1, 2013 through December 31, 2013 (Audit Period).

This report is currently in final form. HON elected to not provide a formal response to the draft audit report; accordingly, no changes were made to the report.

Executive Summary

FINDINGS	SUMMARY
Issue No. 1 – HON Did Not Have the Proper Documentation to Support Certain Units of Service Billed in PROMISe.	Employee time records did not always support the number of units billed in PROMISe for the Audit Period. Additionally, records documenting the services that were billed were either not provided or when provided, did not identify the services that were performed. The BFO tested 33,628 paid units of service of which 1,385 units were questioned resulting in total questioned costs of \$6,219.00.

**Hands-On Nursing Agency
August 1, 2013 through December 31, 2013**

HIGHLIGHTS OF RECOMMENDATIONS

HON should:

- Implement a procedure to review progress notes when they are submitted by employees to ensure that the services provided are properly documented. This documentation would also identify any refusal of service by a client.
- Consider using an all-inclusive progress note format that records the times when services are provided, the type of services provided as well as a narrative on the services provided. The BFO provided HON with an example of an all-inclusive progress note.
- Scan and save submitted documents after they have been approved so there is backup documentation in case an original document is lost or destroyed.

OLTL should:

- Recover the \$6,219 of questioned costs from HON.

FINDINGS	SUMMARY
<p>Issue No. 2 – HON’s PROMISe Billing Control Document Did Not Support Certain Units Billed in PROMISe</p>	<p>There were discrepancies found in 21 (27%) of the 79 claims billed in the Audit Period.</p>

HIGHLIGHTS OF RECOMMENDATIONS

HON should:

- Not use its clients’ scheduling calendars to record employee time worked. The process should be automated as much as possible to allow for ease of use by HON management to process its claims for billing. One option would be to use the Excel-based calendar that the BFO provided to HON which automatically calculates the hours and units of service from employee time records.

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

Results of Fieldwork

Finding No. 1 – HON Did Not Have the Proper Documentation to Support Certain Units of Service Billed in PROMISe.

There were 79 claims billed by HON and paid through PROMISe in the Audit Period. The OLTL Central Quality Management Efficiency Team (QMET) tested 28 of the claims for the period August 1, 2013 through November 30, 2013 during a follow-up site monitoring on December 17, 2013. The BFO tested the remaining 51 claims. Each claim billed represents services provided

Hands-On Nursing Agency
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to a client for a one month period since HON bills claims on a monthly basis. There were a total of 33,628 units, or \$150,990 paid for the 51 claims that were tested.

The BFO questioned 1,385 units totaling \$6,219 due to the net of units that were over billed and under billed as well as the effect of missing timesheets and/or a lack of supporting documentation for the services that were billed.

Recommendations

The BFO recommends that HON:

- Implement a procedure to review progress notes when they are submitted by employees to ensure that the services provided are properly documented. This documentation would also identify any refusal of service by a client.
- Consider using an all-inclusive progress note format that records the times when services are provided, the type of services provided as well as a narrative on the services provided. The BFO provided HON with an example of an all-inclusive progress note.
- Scan and save submitted documents after they have been approved so there is backup documentation in case an original document is lost or destroyed.

The BFO also recommends that OLTL recover the \$6,219 of questioned costs from HON.

Finding No. 2 – HON’s PROMISe Billing Control Document Did Not Support Certain Units Billed in PROMISe.

HON uses its clients’ scheduling calendars to record its employees’ time worked. HON then calculates the units of service and records that result in a separate book. The units recorded in the book are billed to PROMISe.

The BFO analyzed the number of units from the time recorded on the clients’ scheduling calendars and compared that with the number of units billed. There were discrepancies found in 21(27%) of the 79 claims billed in the Audit Period. The effects of those discrepancies are included in the questioned costs shown in Finding No. 1.

Recommendation

The BFO recommends that HON not use its clients’ scheduling calendars to record employee time worked. This process should be automated as much as possible to allow for ease of use by HON management to process its claims for billing. One option would be to use the Excel-based calendar that the BFO provided which automatically calculates the hours and units of service from employee time records.

**Hands-On Nursing Agency
August 1, 2013 through December 31, 2013**

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



The response to each recommendation should indicate OLTL's concurrence or non-concurrence, the corrective action to be taken, the OLTL 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

HANDS-ON NURSING AGENCY

APPENDIX A

Appendix A

Background

Hands-On Nursing Agency (HON) provides personal assistance services (PAS) for the Office of Long Term Living (OLTL) and the Department of Aging (Aging) in ██████████ ██████████, Pennsylvania. HON had 19 active Aging waiver clients and received \$222,291 in PROMISe payments for PAS for the Audit Period.

The employees of HON record their time worked on a three-part time slip and the services performed for clients on a separate document they term 'progress notes'.

Objective, Scope and Methodology

Our audit objective was:

- To verify the accuracy of the PROMISe claims paid for the period August 1, 2013 through December 31, 2013 and to ensure proper documentation was retained to support the claims paid in accordance with PA Code 55 Chapter 52 effective May 19, 2012.

In pursuing our objective, the BFO interviewed HON's management. We also analyzed PROMISe reimbursement data, manually completed timesheets and progress notes, client files, and other pertinent documentation 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, appropriate 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 their effectiveness.

Based on our understanding of the controls, there were deficiencies in billing procedures, documentation maintenance and in the completion of documentary evidence. Documentation of the services provided to clients and of changes to the frequency and duration of services improved significantly in December 2013 compared to the previous four months in the Audit Period.

Areas where the BFO noted an opportunity for improvement in management controls are addressed in the findings and recommendations of this report.

The BFO's fieldwork was conducted from June 10, 2014 to June 23, 2014 and was performed in accordance with GAGAS. An audit closing conference was conducted with HON on July 10, 2014. This report is available for public inspection.

Conclusion on the Objective

Except for the 1,385 units totaling \$6,219 in questioned costs noted in Finding No. 1 of this report, HON did have documentation to support the claims paid through PROMISE.