



January 27, 2017

Mr. Bryan Gross
Director of Operations
In Home Care Inc. d/b/a Home Helpers
PO Box 37464
Philadelphia, Pennsylvania 19148

Dear Mr. Gross:

I am enclosing for your review the "final" performance audit report of Home Helpers (HH) 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.

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".

Tina L. Long, CPA
Director

Enclosure

c: Mr. Jay Bausch
 Ms. Kimberly Barge
 Mr. James Michael Jr.



January 27, 2017

Mr. Brendan Harris, Executive Deputy Secretary
Department of Human Services
Health & Welfare Building, Room 333
Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Harris:

The Bureau of Financial Operations (BFO) conducted an audit of In-Home Care, Inc. d/b/a Home Helpers (HH). The audit was designed to investigate, analyze, and make recommendations regarding the reimbursements from the Provider Reimbursement and Operations Management Information System (PROMISe) for consumer care. Our audit covered the period from July 1, 2014 to June 30, 2016 (Audit Period).

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

Executive Summary

HH provides Personal Assistance Services (PAS) and Personal Emergency Response Services (PERS). The Office of Long Term Living (OLTL) funds these services through HH's participation in the Independence, Attendant Care, COMMCARE, and Aging federal waiver programs.

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>Two Statistically Valid Random Samples (SVRSs) were tested for adequacy of supporting documentation. The questioned costs identified include: documentation which does not support the full amount reimbursed; and incomplete, identical/photocopied, and/or missing documentation.</p> <p>Total questioned costs related to the inadequate documentation are \$67,484.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
OLTL should:	<ul style="list-style-type: none">Determine the appropriate amount to recover from HH based on the questioned costs identified above.Provide technical assistance as necessary to ensure HH has comprehensive knowledge of the applicable regulations.
HH should:	<ul style="list-style-type: none">Only claim reimbursements for services that are supported by adequate documentation and performed in accordance with the service definitions contained in the Home and Community Based Services ("HCBS") waiver application.

In-Home Care, Inc. d/b/a Home Helpers
July 1, 2014 to June 30, 2016

FINDINGS	SUMMARY
Finding No. 2: Internal Control Weaknesses	Internal control weaknesses relating to documentation requirements and claims processing were identified. Discrepancies were found between documents used for tracking the length of services that were delivered.
HIGHLIGHTS OF RECOMMENDATIONS	

HH should:

- Establish oversight policies to review claim documentation to ensure it is accurate and in compliance with regulatory requirements.
- Ensure that staff follows the proper requirements to document the services that are delivered.
- Document any adjustments that could cause discrepancies between services delivered, amounts billed to PROMISe, employee time records, and payroll records.

OBSERVATION	SUMMARY
HH Chose not to Submit Claims for Reimbursement for Personal Emergency Response Service – Installation	Issues with service coordination and service authorization have caused HH to decide against spending time to pursue one-time reimbursements for the PERS unit installations.

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.

Two SVRSs of claims reimbursed through PROMISe were tested. The BFO examined supporting documentation to determine the adequacy and validity of each claim in the sample. The documentation included timesheets, assisted daily living reports, completed visit logs, payroll information, and invoices.

Below is a summary of the results of each SVRS:

Personal Assistance Service (W1793):

The questioned costs consisted of documentation that did not support the full amount reimbursed through PROMISe, no documentation, incomplete assisted daily living reports, and an identical/photocopied assisted daily living report¹. Credit was given for claims that were shown to be under billed as long as payroll documentation verified the hours that were recorded on the timesheets. Extrapolating the unit error rate over the population of claims resulted in questioned costs of \$47,511 with a variance of +/- \$65,089.²

¹ 55 Pa. Code Chapter 52, § 52.14 Ongoing Responsibilities of Providers, and § 52.15 Provider Records. Also, 55 Pa. Code Chapter 1101 § 1101.11 General Provisions and § 1101.51 Ongoing Responsibilities of Providers.

² The high variance is due to certain claims which were significantly higher in amount than that of the other claims. We attribute this to one consumer who received 24-hour care and to consumers that are funded through the Aging Waiver since those claims are billed monthly instead of bi-weekly.

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Personal Emergency Response Service – Maintenance (W1895):

The questioned costs were due to no documentation of reimbursed Personal Emergency Response Service (PERS) – Maintenance services.

Additionally, the claims that did have documentation were reimbursed through PROMISe for more than the actual cost of the service because HH included an administrative fee when billing for maintenance. PERS – Maintenance for each waiver program³ allows only actual cost; it does not allow administrative costs. The questioned costs were calculated based on the difference between the actual costs and the amount reimbursed through PROMISe.

Finally, HH owned 33 PERS units which were in service during the Audit Period. No monthly rental fees were charged for these units. As a result, a credit of \$8,160 was given related to the cost of the PERS units that HH owns. This credit was offset against the extrapolated questioned costs to arrive at the net questioned costs.

Extrapolating the unit error rate over the population of claims resulted in questioned costs of \$19,973, net of the credit detailed above, with a variance of +/- \$684.

Total questioned costs of both SVRSs are \$67,484.

Recommendations

The BFO recommends that OLTL determine the appropriate amount to recover from HH based on the questioned costs identified above.

Additionally, the BFO recommends that OLTL provide technical assistance as necessary to ensure HH has comprehensive knowledge of the applicable regulations.

Finally, the BFO recommends that HH ensure all claims have the proper documentation and are in compliance with regulations before they are submitted to PROMISe.

Finding No. 2 – Internal Control Weaknesses.

Electronic records (via a telephony system) are used along with timesheets and assisted daily living reports to document caregivers' work hours. The documentation that we examined showed that in many instances, the caregivers failed to call in properly using the telephony system to document the hours that they worked. Timesheets were used to record the recipient's signature for services that were provided and also served as backup documents if the caregivers had not properly used the telephony system.

Telephony records, timesheets, payroll documents and claims submitted to PROMISe had discrepancies between the lengths (units) of service that were delivered. If an adjustment to the clock in/out time was required, it was made to the payroll records but not the Telephony records in order to maintain the integrity of the electronic records.

Recommendations

The BFO recommends that HH establish oversight policies to review claim documentation to ensure it is accurate and in compliance with regulatory requirements.

³ §1915(c) Home and Community-Based Services Waiver. Waiver Number PA.0277 (Attendant Care), PA.0279 (Aging), PA.0319 (Independence), and PA.0386 (COMMCARE).

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Additionally, the BFO recommends that HH ensure that staff follows the proper requirements to document the services that are delivered.

Finally, the BFO recommends that HH document any adjustments that could cause discrepancies between services delivered, amounts billed to PROMISe, employee time records, and payroll records.

Observation No. 1 - HH Chose not to Submit Claims for Reimbursement for Personal Emergency Response Service – Installation.

When the PERS units are installed in consumers' homes, the provider is allowed to claim a one-time reimbursement for the cost of installing the units. HH's management has stated that they have experienced problems with the service coordinators approving the authorization of the PERS - Installation. The BFO also observed that the service authorizations are often only for the PERS - Maintenance which does not include the separate, one time installation authorizations. HH has decided to not to spend time to pursue the one-time reimbursements for PERS unit installations. HH had \$1,530 of installations costs eligible for reimbursement during the Audit Period.

Exit Conference/Auditor's Commentary:

HH did not request an exit conference. However, the BFO would like to clarify two points in HH's response. HH took issue with one claim which was questioned because it appeared that the claim notes were photocopied. As a practice, we do not question claims just because photocopies are used as supporting documentation but in this case the notes and client signatures were identical for two consecutive weeks. The only difference between the two documents was the date and therefore we questioned one week in the claim. Additionally, HH expressed concerns related to the questioned costs identified by OLTL's Quality Management Efficiency Team (QMET) which occurred during the BFO Audit Period. The questioned costs identified by QMET were removed from BFO's universe of paid claims prior to sampling. Therefore, the extrapolation does not include those claims previously identified by QMET. HH's response is attached as an appendix to this 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 DHS Audit Resolution Section at: [REDACTED]

The response to each recommendation should indicate the 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,

Tina L. Long

Tina L. Long, CPA
Director

c: Mr. Jay Bausch
Mr. Michael Hale
Ms. Kim Barge
Mr. James Michael

In-Home Care, Inc. d/b/a Home Helpers

APPENDIX A

APPENDIX A

Background

In-Home Care, Inc. d/b/a Home Helpers (HH) is a for-profit corporation located in Philadelphia, Pennsylvania. The company provides services in Philadelphia and serves clients who are approved by the Office of Long-Term Living (OLTL). HH provides Personal Assistance Services and Personal Emergency Response Services.

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 HH 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 52, 55 Pa. Code Chapter 1101; Office of Long-Term Living Bulletin Numbers 05-10-8, 51-10-8, 55-10-8, 59-10-8; and pertinent Federal Waiver requirements.

In pursuing this objective, the Bureau of Financial Operations (BFO) analyzed payroll records, care-giver time sheets, 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 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 August 18, 2016 to September 20, 2016 and was performed in accordance with GAGAS. This report is available for public inspection.

Conclusion on the Objective

In conclusion, HH did not meet the documentation requirements for certain claims. Some of the claims were not fully supported by the available documentation resulting in questioned costs of \$67,484.

In-Home Care, Inc. d/b/a Home Helpers

Response to the Draft Report

APPENDIX B



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Bryan Gross
Director of Operations

Office: (215) 334-2600
Fax : (215) 334-2601
E-Mail: bgross@homehelpersphilly.com

December 19, 2016

Ms. Barbara Miller
Division of Audit and Review
Bureau of Financial Operations
Department of Human Services
801 Market Street, [REDACTED]
Philadelphia, PA 19107-3126

Dear Barbara,

I am writing in response to the draft audit report for *In-Home Care, Inc d/b/a Home Helpers* dated December 1st, 2016. Please use this letter as our formal response to the findings presented in the report. At this time, we do not see the need to conduct an exit conference, and are not requesting one. We truly do appreciate the ability to respond to the findings stated in the report. I would also like to commend the audit team as they were professional, friendly, flexible, and courteous while they were conducting the audit. Our responses in this letter are not meant to criticize them or the work that they performed during the audit.

Finding No. 1: PROMISe Claims Were not Supported by Adequate Documentation

Personal Assistance Service (W1793)

- It is our contention that we had the proper documentation at the time the claim was submitted through PROMISe, but were either misplaced or erroneously destroyed as part of our routine file maintenance. That said, we feel it important to note that there were 3 claims that were disapproved by the audit team, which makes up a significant portion of the report's questioned costs for these services. Our explanations for these claims can be found below:
 - **Claim # 6** - Services for this consumer were erroneously billed through PROMISe due to a miscommunication regarding the start/cancellation of consumer's services. This was the only claim that we ever filed for the consumer. No other claim during the audit period encountered this issue.
 - **Claim # 22** - We provided the audit team with timesheets and assisted daily living notes, but a significant portion of the claim was disapproved because the caregiver incorrectly completed the daily living notes by not checking off what they did while with the consumer. No other claim during the audit period encountered this issue.
 - **Claim # 39** - The audit team disapproved an entire week from this claim because they felt that the care notes submitted by the caregiver were photocopied, and therefore not originals. It is our opinion that the audit team is incorrectly denying this claim. Accepting faxes/scanned copies of a caregiver's weekly care notes is a widely-accepted practice. We receive hundreds of care notes

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from our caregivers during each bi-weekly pay period. While we can understand the logic behind requiring, original paperwork, recognizing something like this in a real-world setting is highly unlikely. Our office staff does not have the technology or the training to accurately and efficiently determine if a caregiver's signature has been photocopied on a scanned or faxed care note. We also feel it important to point out that the audit sample included three additional claims for the same participant. The same caregiver completed the paperwork for each of the audited claims for this consumer. All three of those claims for this same participant were validated without issue by the audit team. Like the previous claims, no other claim during the audit period encountered this issue.

It is our opinion that these three claims are outliers in the sample and disproportionately affect the final total listed in the report. The issues with each of these claims are unique can be attributed to factors, such as office turnover that have been adequately addressed by the agency. They are not indicative of any significant flaws with our established internal controls. This position is supported by the fact that no other claims in the sample had the same problems as these claims, nor did they come close to the dollar amounts associated with these three claims. That said, we do not take the report's findings lightly. In response to the findings listed, we have hired additional office staff and restructured some of our existing office staff to ensure that our claims documentation is maintained in accordance with all applicable regulations. Additionally, the new employee's job responsibility includes reviewing all new claim paperwork to ensure the consumer's care notes are complete and in order prior to being filed in the client's folder for billing.

Personal Emergency Response Service – Maintenance (W1895)

- We are concerned by the wording in opening sentence of this section. It states that there was no documentation of reimbursed Personal Emergency Response Service (PERS) – Maintenance. Listing this statement first without quantifying an amount gives the reader the impression that a significant portion of the questioned costs should be attributed to a lack of paperwork when that is not the case. While there were some claims in the sample that were missing the appropriate documentation, these claims were few compared to the audit sample. Most of the questioned costs associated with the audited PERS claims were the direct result of us charging a Fair Market Value for PERS maintenance. This resulted in the audit team deeming anything more than what we were directly charged by our monitoring service to be an administrative fee, not the lack of documentation.
- In regards to the administrative fees that were charged, we fail to see the logic behind the current regulation that prevents us from charging more than whatever amount that we are being charged for the services. When questioned as to the reasoning behind the regulation in question the audit team was unable to provide what we feel was an adequate response. This regulation only hinders competition in the market for these services to solely those providers who are large enough to maintain their own call centers. These companies can then dictate rates and set an unfair market that limits consumer choice while providing



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subpar services to the consumer. For an entire program that is centered on consumer choice, this regulation is clearly contrarian to that philosophy.

Finding No. 2: Internal Control Weaknesses

- Our primary goal is to provide an efficient means for our caregivers to log their work hours during their shifts. During the audit period, we solely utilized the telephony system which requires the caregiver to clock in/out for their shifts from the client's home or other authorized phone number in our scheduling system, with paper timesheets to be completed on a backup basis. When used correctly by the caregivers, the telephony logs and the submission of the caregiver's paperwork is an extremely efficient process to maintain accurate records. The problem lies when a caregiver does not utilize the telephony system as it creates additional work for the office staff and creates the potential for human error when having to record timesheets and care notes manually. A significant portion of our caregiving staff does make a concerted effort to use the telephony system to accurately track their time. Unfortunately, most of the issues cited in our audit were cases where the consumers have family caregivers involved in the delivery of care. Family caregivers tend to be most frequent offenders who fail to utilize the telephony system. They know that our ability to discipline them is severely hindered. It is impossible to effectively discipline someone who can simply complain to the consumer and convince them to move to another agency. Conversely, cases that do not use family caregivers in the delivery of care to the consumer tend to be more accurate and complete with regards using our telephony system, and submitting the required paperwork.

Since the audit's conclusion, in addition to the previously stated changes to our office staff, we have begun utilizing the GPS feature of our scheduling software's telephony system. Implementing this change will allow our caregivers will allow caregivers to clock in and out for their shifts from their own GPS phone, without issue, rather than relying solely on the availability of a working phone in consumer's phone.

In conclusion, we have some additional concerns that we feel the need to express. First, In May 2016, the Quality Management Efficiency Team (QMET) of the Office of Long Term Living (OLTL) conducted a similar audit of our claims. While their audit sample was smaller, it overlapped a portion of the same time frame as your audit. In their results, QMET cited some overpayments for claims that were submitted. Where our concern lies is that we would be expected to repay that amount in addition to any amount associated with this report. While we understand that any claims from that audit were excluded from this audit, the fact remains that the amount listed in this report is extrapolated over the same audit period. By extrapolating your amount over the same period includes the claims from the QMET sample. Requiring us to pay both amounts would be penalizing us twice for claims over the same period.

Secondly, while reviewing <http://www.dhs.pa.gov/publications/finalperformanceauditreports/> for previously completed BFO audits posted we have cause for concern that homecare agencies and facilities are the primary targets of these audits as they appear to make up a disproportionate number of the audits listed. There are currently two service models (agency or consumer) for home care services in the state of Pennsylvania. We find it

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disturbing that only one of those models, the agency model, is consistently audited by the BFO. If the BFO is finding questionable costs with the agencies who are paid to know the regulations, any reasonable person can deduce that these same issues exist in the other model. This coupled with the fact that an organization such as [REDACTED] can operate without the same audit requirements is alarming to agencies like Home Helpers.

Finally, while reviewing some of the completed audits on the previously mentioned website, we noticed that most of the reports were centered around the same finding of inadequate documentation. We found it interesting that many of the audited organizations are continually running into the same problem regarding their documentation. If providing supporting documentation is the common problem, it is only fair to question the logic behind the claims submission system. A claim submission system that pays on a submitted claim, without requiring a single piece of supporting documentation at the time the claim is submitted is at its core, flawed. PROMISE, is the only claim submission tool, that we deal with, that operates in this manner. Any other third-party payer that we work with require us to include our supporting documentation at the time we submit the claim. Simple logic dictates that there is something clearly wrong with the current way that claims are submitted and paid through PROMISE.

In closing, we are aware that the pending systematic changes will address some of our concerns going forward. Regardless, we are obligated to state our concerns with the program, as the implementation of these changes have been delayed until 2018 at the earliest. Our agency and many agencies like ours are cautiously optimistic in the hopes that moving towards Managed Care Organizations for claim management is the solution that can addresses both ours and the taxpayer's concerns regarding waste, fraud and abuse surrounding the current program and its obvious flaws.

One final item that I would like to point out. The mailing address listed on the cover letter is incorrect, please find the correct mailing address for our agency below:

Home Helpers
P.O. Box 37464
Philadelphia, PA 19148

Thank you for taking the time to read our response. We wish you and your entire team warm Holiday Greetings and a Happy and Safe New Year.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan Gross". It is written in a cursive style with a large, stylized 'G' and 'B'.

Bryan Gross