



May 14, 2014

Ms. Robin LoDolce
Executive Director
Pike County Area Agency on Aging
105 Pike County Boulevard
Hawley, Pennsylvania 18428

Dear Ms. LoDolce:

I am enclosing the final audit report of the Pike County Area Agency on Aging (PAAAA), which was recently completed by this office. Your response has been incorporated into the final report and labeled as an Appendix.

I would like to extend my appreciation for all the courtesy extended to my staff during the course of fieldwork. I understand you were especially helpful to Andrea Tirpak in expediting the audit process.

The final report will be forwarded to the Office of Long Term Living (OLTL) to begin the Department's audit resolution process. The staff from the OLTL may be in contact with you to follow-up on the action taken to comply with the report's recommendations.

If you have 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. Karen Deklinski
Ms. Bonnie Rose
Ms. Diane BrannonNordtomme

bc: Mr. Alexander Matolyak
Mr. Brian Pusateri
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence

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.

May 14, 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 Office of Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated a performance audit of the Pike County Area Agency on Aging (PCAAA). The audit was designed to determine if the PCAAA is in compliance with 55 Pa. Code Chapter 52 Regulations. The audit period was July 1, 2012 to June 30, 2013.

This report is currently in final form and therefore contains PCAAA's views on the findings and recommendations. PCAAA's response to the draft audit report is included as Appendix B. PCAAA did not request an exit and no changes were made to the draft report as a result of their response.

Executive Summary

FINDING	SUMMARY
<p>Issue No. 1 – PCAAA's Service Coordination (SC) Notes Lacked Supporting Documentation to Validate Units Billed to the Provider Reimbursement and Operations Management Information System (PROMISE).</p>	<ul style="list-style-type: none"> • 24 of 136 Service Coordination (SC) claims tested (18%) did not comply with the Chapter 52 regulations • 6 of the claims tested (4%) were services billed that would have been reimbursed under Title XIX. • Additionally, 2% of the claims tested did not meet the documentation or time standards as required by the Chapter 52 regulations • The result is a net overbilling of 100 units. When the BFO extrapolates the sample percentage of dollars overbilled over the entire population of SC billings, it results in a disallowance of \$10,193.

HIGHLIGHTS OF RECOMMENDATIONS

PCAAA should:

- Improve its SC record keeping and billing procedures to ensure that the required service notes support all PROMISe billings.
- Ensure there is a distinct separation of the services and the documentation of its Title XIX and waiver services.

OLTL should:

- Recover \$10,193 for unsupported supports coordination billings during the audit period.
- Ensure that PCAA improves its SC record keeping and billing procedures to make certain that all PROMISe billings are supported.
- Ensure that PCAA provides a distinct separation of the services and the documentation of its Title XIX and waiver services.

FINDING	SUMMARY
<p>Issue No. 2 – PROMISe was Billed for Ineligible Non-Medical Transportation (NMT) Trips.</p>	<ul style="list-style-type: none"> • 2 exceptions were noted during testing of NMT units; they are (1) an ambulance trip that should have been paid for with Medical Assistance Transportation Program (MATP) funding, and (2) duplicate billing for trips that were reimbursed in a prior month. • The total amount of unallowable trips during the period was \$359.50.

HIGHLIGHTS OF RECOMMENDATIONS

PCAAA should:

- Only bill PROMISe for trips that are in accordance with 55 PA Code Chapter 52.42(c).

OLTL should:

- Recover \$359.50 for unallowable NMT billings during the audit period.
- Ensure that PCAA only bills PROMISe for trips in accordance with 55 PA Code Chapter 52.42(c).

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

Results of Fieldwork

Issue No. 1 – PCAA's SC Notes Lacked Supporting Documentation to Validate Units Billed to PROMISE.

PCAAA is responsible for providing SC services to consumers enrolled in the OLTL waiver programs, who reside in Pike County. 55 Pa. Code Section § 52.42(d), states, "The Department will only pay for a service in the type, scope, amount, duration and frequency as specified on the participant's service plan as approved by the Department." Additionally, OLTL Bulletin No. 05-13-02 et al. (Billing Instructions - Home and Community Based Waiver Provider's Billing of Procedure Codes Based on Authorized Service Plans Through PROMISE), states, "Home and Community-Based waiver providers are able to bill for one unit when a billable activity occurs for more than 7-1/2 minutes. A billable activity must be properly documented."

The BFO performed a statically valid random sample (SVRS) of 136 SC claims and identified 24 of the claims tested (18%) did not comply with the Chapter 52 regulations, resulting in a net overbilling of 100 units. When the BFO extrapolates the sample percentage of dollars overbilled over the entire population of SC billings, it results in a disallowance of \$10,193.

Examples of the unallowable units found in the sample include:

- Insufficient documentation to support the units billed.
- Billing for units that do not meet the 7-1/2 minute threshold,
- Billing for units where time was miscalculated, and
- Billing SC units for dates prior to the consumer's Enrollment Date.

Additionally, the BFO noted that 6 of the 136 SC claims tested (4%) contained non-allowable units that were billed by PCAA for a Level of Care Assessment (LOCA). The LOCAs completed by PCAA would be reimbursed under Title XIX to comply with 55 Pa. Code Chapter 1101.64(a), which states, "Other private or governmental health insurance benefits shall be utilized before billing the MA Program."

Recommendations

The BFO recommends that PCAA:

- Improve its SC record keeping and billing procedures to ensure the required service notes support all PROMISE billings.
- Ensure there is a distinct separation of the services and the documentation of its Title XIX and waiver services.

The BFO recommends that OLTL:

- Recover \$10,193 for unsupported SC billings during the audit period.
- Ensure that PCAA improves its SC record keeping and billing procedures to make certain that the required service notes support all PROMISE billings.
- Ensure that PCAA provides a distinct separation of the services and the documentation of its Title XIX and waiver services.

Issue No. 2 – PROMISe was Billed for Ineligible Non-Medical Transportation (NMT) Trips.

The BFO performed a SVRS of 42 non-medical transportation claims and noted that 2 of the claims tested were ineligible for waiver funding per 55 PA Code Chapter 52.42(c). The first claim in the amount of \$180 involved a medical trip requiring ambulance assistance. This trip should have been reimbursed under the MATP. A second claim in the amount of \$179.50 was for duplicate billing of trips that were reimbursed in the prior months.

Recommendations

The BFO recommends that PCAA:

- Only bill PROMISe for trips that are in accordance with 55 PA Code Chapter 52.42(c).

The BFO recommends that OLTL:

- Recover \$359.50 for unallowable NMT billings during the audit period.
- Ensure that PCAA only bills PROMISe for trips in accordance with 55 PA Code Chapter 52.42(c).

In accordance with our established procedures, an audit response matrix will be provided to OLTL. Once received, OLTL staff 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 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

PIKE COUNTY AREA AGENCY ON AGING

APPENDIX A

Appendix A

Background

Pike Co. Area Agency on Aging (PAAAA) is a governmental agency that provides resources and services to Pike County residents aged 60 and over. Among its funding sources are the Aging Waiver, and Title XIX. The Department of Public Welfare's Office of Long-Term Living (OLTL) is responsible for ensuring the Aging Waiver operates in accordance with Title 55 Pa. Code Chapter 52.

Payments to PAAAA through the PROMISE system for waiver-funded services rendered totaled \$252,745 for the period July 1, 2012 through June 30, 2013.

Objective, Scope and Methodology

Our audit objective was:

- To determine if units billed to PROMISE for the dates of service between July 1, 2012 and June 30, 2013 are substantiated in accordance with regulations.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objectives 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, certain material deficiencies came to our attention. Areas where we noted material deficiencies or an opportunity for improvement in management controls are addressed in the findings of this report.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Our fieldwork was performed intermittently between October 17, 2013 and October 29, 2013. A closing conference was held with PAAAA's management on December 16, 2013 to discuss the results of the audit. This report is available for public inspection.

Conclusion on the Objective

In conclusion, PAAAA's SC notes did not substantiate certain units billed to PROMISE, resulting in a disallowance of \$10,193. In addition, PAAAA was reimbursed \$359.50 for NMT trips which were not in accordance with the Chapter 52 regulations.

**PIKE COUNTY AREA AGENCY ON AGING
RESPONSE TO DRAFT REPORT**

APPENDIX B

Pike County Area Agency on Aging

150 Pike County Blvd.
Hawley, PA 18428
Phone: (570)775-5550
Fax: (570) 775-5558

Robin LoDolce
Executive Director

www.pikeaaa.org

April 29, 2014

Mr. Brian Pusateri, Audit Manager
Bureau of Financial Operations
Department of Public Welfare
Scranton State Office Building , [REDACTED]
[REDACTED]

Dear Mr. Brian Pusateri:

Issue #1 Pike County's Service Coordination (SC) Notes lacked supporting documentation to validate units billed to provider reimbursement and operations management information system (promise).

The Agency concurs with the findings and has the following corrective actions:

Pike County AAA should:

Issue #1 . Improve its SC record keeping and billing procedures to ensure that the required service notes support promise billing.

Ensure that PCAA provide a distinct separation of the services and the documentation of its Title XIX funded actions to comply with 55 Pa. Code chapter 1101.64 (a) and waiver services.

- 1a) AAA has instituted a policy for fiscal agent to review all billable journal entries for correct units, prior to billing to promise.
- b) Supervisor to run a monthly report and audit all billable entries for content in journal entries, and document in Journal under service coordination non-billable audit of unallowable billable units for month for easier reconciliation.
- c) Supervisor to continue to educate care managers on services provided under Title 19, and billable units allowed under chap 55 pa code section 52.42 (d).

Issue #2 Promise was billed for Non Medical Transportation (NMT) trips.

The Agency concurs with the findings and has the following corrective actions:

Ensure that PCAA only bill promise for trips in accordance with 55 PA Code Chapter

Pike County AAA transportation will advise consumers to contact DPW for all Medical transportation trips outside its scope for special arrangements and approval, and will no longer reimburse third-party payers or bill Promise for same.

I hope these corrective actions meet with the consideration of the Department of Public Welfare's approval. If there are any questions or clarifications required, please do not hesitate to contact me at rlodolce@pikepa.org.

Sincerely,



Robin S. LoDolce, RD,
Executive Director

Cc: Pike County Commissioners