



# pennsylvania

DEPARTMENT OF HUMAN SERVICES  
BUREAU OF FINANCIAL OPERATIONS

June 7, 2017

Mr. Moses Ekhaton, PCA, M.Ed.  
Quality Health Care Group, Inc.  
99 East Glenolden Avenue, Apt 10A  
Glenolden, Pennsylvania 19036

Dear Mr. Ekhaton:

I am enclosing for your review the final audit report of Quality Health Care Group, Inc. 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, 2014 to June 30, 2016 (Audit Period).

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 [REDACTED] in completing the audit process.

The final report will be forwarded to the Office of Long Term Living (OLTL) to begin the Department's resolution process concerning the report's contents. The 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,

Tina L. Long, CPA  
Director

Enclosure

c: Ms. Kim Barge  
Mr. Michael Hale  
Ms. Peggy Morningstar



June 7, 2017

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) conducted an audit of Quality Health Care Group, Inc. (QHCG). 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, 2014 to June 30, 2016 (Audit Period).

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

**Summary of Conditions and Questioned Costs**

<b>Description of Condition</b>	<b>Location of Details</b>	<b>Questioned Costs</b>
PROMISe Claims Were Not Supported by Adequate Documentation	Appendix A Finding No. 1	\$122,755
QHCG Did Not Periodically Screen Its Employees and Subcontractors for Prohibitive Acts	Appendix A Finding No. 2	\$0
One Caregiver Who Provided Waiver Services Failed the Required Criminal Background Check	Appendix A Finding No. 3	\$1,487
Internal Control Weaknesses	Appendix A Finding No. 4	\$0
<b>Total</b>		<b>\$124,242</b>

**See Appendix A for the Details of the Audit Findings.**

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

**See Appendix C for the Analysis of Questioned Costs.**

**See Appendix D for QHCG's Response to the Draft Report.**

**Exit Conference**

An exit conference was held on May 17, 2017. QHCG's management stated that they have a process in place to periodically screen employees who may have been excluded from providing waiver services. Management presented documentation at the exit conference that these exclusion checks were done. However, the documentation indicated that the exclusion checks were done starting in November 2016, after management was made aware of the requirement during the course of fieldwork. Additionally, QHCG's management expressed concerns over certain language in the draft report related to their ability to produce documentation. Based on the discussion, the BFO made some minor changes to the draft 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:



The response to each recommendation should indicate OLTL's concurrence or nonconcurrence, 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

**QUALITY HEALTH CARE GROUP, INC.**

**APPENDIX A**

## Appendix A – Details of the Audit Findings

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

### **Finding No. 1- PROMISe Claims Were Not Supported by Adequate Documentation**

#### **Condition** (“What was found?”):

A Statistically Valid Random Sample (SVRS) of Personal Assistance Services (PAS) claims was tested for adequacy of supporting documentation. The BFO noted deficiencies in record keeping including missing timesheets and daily activity note documentation.

Additionally, all Nursing claims were examined. The BFO noted deficiencies in record keeping including missing timesheets and daily activity notes.

#### **Criteria** (“What should it be?”):

Providers must maintain books and records supporting the units that they bill as specified in the following Code sections:

55 PA Code, Chapter 52:

§ 52.43(h) 1 and 2 – Audit Requirements

§ 52.14 – Ongoing Responsibilities of Providers

§ 52.15(a) – Provider Records

55 PA Code, Chapter 1101:

§ 1101.11 General Provisions

§ 1101.51 On-going Responsibilities of Providers

#### **Effect** (“What is the impact?”):

- Unsubstantiated claims related to the PAS SVRS resulted in questioned costs of \$102,018 with a variance of +/- \$21,969.
- Unsubstantiated claims related to Nursing claims resulted in questioned costs of \$20,737.
- Total questioned costs are \$122,755.

#### **Cause** (“Why did it happen?”):

Office staff was not able to locate documentation for all paid claims sampled. Of the documentation that was produced, some was lacking dates of service and/or times of service. For nursing services, documentation was not kept during the beginning of the Audit Period and therefore no support was produced for several claims that were reimbursed.

#### **Recommendations** (“What needs to be done to correct it?”):

- The BFO recommends that OLTL recover \$122,755 for PAS and Nursing claims, which were not adequately documented.
- The BFO recommends that QHCG ensure that its personnel have the proper training in the requirements for daily activity notes, time records and other documentation required to support the delivery of services.
- The BFO recommends that QHCG ensure that all claims are accurate and adequately supported by the required documentation before submitting claims for reimbursement.
- The BFO recommends that OLTL continue to monitor QHCG's service documentation for compliance with applicable regulations.

## Appendix A – Details of the Audit Findings

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

### **Finding No. 2 - QHCG Did Not Periodically Screen Its Employees and Subcontractors for Prohibitive Acts**

**Condition** (“What was found?):

QHCG did not periodically screen its employees and subcontractors for prohibitive acts as required.

**Criteria** (“What should it be?):

Per MA Bulletin 99-11-05, all caregivers should be screened at the time of hiring and rescreened periodically thereafter for prohibitive acts that would preclude them from providing Medicaid billable services.

**Effect** (“What is the impact?):

Any employee who had a prohibitive act would be precluded from billing his or her services to the Medicaid program which is reimbursed through PROMISe.

**Cause** (“Why did it happen?):

Management was not aware of the MA Bulletin.

**Recommendations** (“What needs to be done to correct it?):

- The BFO recommends that QHCG develop policies and procedures for screening employees and/or contractors at the time of hiring and on an ongoing monthly basis in compliance with MA Bulletin 99-11-05.
- The BFO recommends that QHCG not use the services of any employee or contractor who has not passed the exclusion test.
- The BFO recommends that OLTL continue to monitor QHCG's policies and procedures for conducting monthly exclusion checks.

## Appendix A – Details of the Audit Findings

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

### **Finding No. 3 - One Caregiver Who Provided Waiver Services Failed the Required Criminal Background Check**

#### **Condition** (“What was found?”):

One caregiver failed the required criminal background check. During this newly hired employee’s probationary period, the background check disclosed a conviction for a prohibited act. This employee was terminated, but not before providing some waiver services for which QHCG billed.

#### **Criteria** (“What should it be?”):

Pa Code Title 52.11(5) (ix) and (xi) requires as a prerequisite for waiver participation that a provider create and follow policies and procedures relating to screening staff members and contractors for criminal history or who are otherwise excluded from participation in Federal health care programs.

#### **Effect** (“What is the impact?”):

Services were provided by an employee who was precluded from providing waiver services which resulted in questioned costs of \$1,487.

#### **Cause** (“Why did it happen?”):

Management allowed one care giver to provide services prior to receiving the criminal background check, which revealed a conviction for a prohibitive act that excluded the care giver from providing waiver services.

#### **Recommendations** (“What needs to be done to correct it?”):

- The BFO recommends that OLTL recover \$1,487 for PAS claims which were delivered by a person who was ineligible to provide waiver services.
- The BFO recommends that QHCG ensure that criminal background checks are completed prior to allowing staff to provide waiver services to ensure they do not have an excludable offense.
- The BFO recommends that OLTL continue to monitor QHCG to ensure that staff are screened for criminal history and that initial screening for staff and contractors is completed to determine if they have been excluded from providing services for federal health care programs.

## Appendix A – Details of the Audit Findings

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

### Finding No 4 - Internal Control Weaknesses

#### **Condition** (“What was found?”):

The BFO identified the following internal control weaknesses:

- Weaknesses in the current filing system made locating time sheets and daily activity notes difficult.
- Nursing activity notes were not always prepared daily by the nurse who delivered the service; notes were not always signed; and nurses’ signatures were often illegible.
- Timesheets did not have sign-offs showing that the hours were reviewed or approved before the units were billed through PROMISe.
- The hours calculated from the times-in and times-out on time cards were not always accurate.
- Some billings for PAS were missing timesheets and/or daily activity notes.

#### **Criteria** (“What should it be?”):

Effective internal controls include procedures that are in writing, are functional, are used consistently, and are adequate to produce reliable documentation to support PROMISe reimbursements.

#### **Effect** (“What is the impact?”):

Internal control weaknesses contributed to the questioned costs identified in Findings No.1 and No. 3.

#### **Cause** (“Why did it happen?”):

Internal control weaknesses were the result of a lack of separation of duties; weaknesses in the current filing and retrieval system; and inadequate review, verification, and approval of supporting documentation.

#### **Recommendations** (“What needs to be done to correct it?”):

- The BFO recommends that QHCG design and implement a reliable system of internal controls over the recording and billing of time and the preparation of daily activity notes, and ensure that all documentation necessary to support PROMISe billings is maintained and available.
- The BFO recommends that QHCG consider hiring additional administrative staff.

**QUALITY HEALTH CARE GROUP, INC.**

**APPENDIX B**

## **Appendix B – Background, Objective, Scope and Methodology, and Conclusion on the Objective**

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

### **Background**

QHGC is a non-stock corporation that was formed under the laws of Pennsylvania on February 6, 2002 and is licensed by OLTL to provide services to its clients who are located in Southeastern Pennsylvania. QHCG's primary business is to provide PAS, Nursing services, Home and Community Habilitation, Residential, and Special Needs services to its several clients. QHGC is a small business operating under the direction and control of two officers.

### **Objective, Scope and Methodology**

Our audit objective is stated in the Conclusion on the Objective section below. In pursuing this objective, the BFO analyzed the billing and payroll records, caregiver time sheets, daily activity notes, Individual Service Plans, PROMISE reimbursement data, and other pertinent information necessary to accomplish the audit objective. Additionally, the BFO discussed certain matters with QHCG's management and OLTL personnel throughout the course of the audit.

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 below. 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 compiling complete billing records and in performing the required criminal background checks. Areas where we noted an opportunity for improvement in management controls are addressed in the findings and recommendations of this report.

The BFO's fieldwork was performed intermittently between September 19, 2016 and October 31, 2016. A closing conference was held with QHCG's management on December 6, 2016 to discuss the results of the audit. This report is available for public inspection.

### **Conclusion on the Objective**

<b>Objective Number</b>	<b>Audit Objective</b>	<b>Conclusion on the Objective</b>
1	To determine if QHCG has adequate documentation to substantiate its claims which were billed through the PROMISE system.	QHCG did not always maintain sufficient documentation to support its PROMISE claims for the audit period resulting in questioned costs of \$124,242.

**QUALITY HEALTH CARE GROUP, INC.**

**APPENDIX C**

**Appendix C – Analysis of Questioned Costs**

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

<b>Procedure Code/Client</b>	<b>Reimbursed Amount in Sample</b>	<b>Total Amount Questioned in Sample</b>	<b>Reimbursed Amount in Universe</b>	<b>Extrapolated/Total Question Costs</b>	<b>Variance (+/-)</b>
W1793	\$129,938	\$40,753	\$330,020	\$103,505	\$21,969
T1002	\$146,567	\$20,737	\$146,567	\$20,737	\$0
<b>TOTAL:</b>				<b>\$124,242</b>	

**QUALITY HEALTH CARE GROUP, INC.**  
**RESPONSE TO THE DRAFT REPORT**  
**APPENDIX D**

## **Appendix D – QHCG’s Response to the Draft Report**

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

May 14, 2017

To Whom It May Concern:

This letter is a response to Details of the Audit Findings issued on March 13, 2017.

Finding No. 1 claims that PROMISE Claims were not supported by adequate documentation. The purported cause was the lack of an “adequate filing system.”

**RESPONSE:** The filing system in place is adequate for office use, and any disruptions were as a result of files been removed and not replaced by the auditors themselves. The auditors look at over 400 records and spent, pay roll records time sheets and other paperwork during the two weeks were with us.

Additionally, the findings argue that an inadequate filing system was the cause for missing paperwork, when this is not the case. Any missing paperwork is supported by payroll record. Secondly some of the paperwork were transmitted by fax which may result in losses during transmission.

Findings No. 2 and 3 claim that we did not periodically screen our employees and subcontractors for prohibitive acts.

**RESPONSE:** The above assertion is not true because we have documentation to prove that we screen our employees periodically. I did explain the incident that led to one of our staff falling through the crack. The staff in question applied for job with the agency and we conducted criminal clearance and found that she had a pending case in the court, since she was not yet convicted we employed her. Eventually the case was decided and she was convicted. Immediately we got the information of the outcome of the case, we advised her to withdraw her services. To say that we did not periodically screen our employees and subcontractors based on this single incident, to is over generalization.

This generalization is based on a singular case in which an employee slipped through the cracks of our policy, and was terminated when the error was detected. This isolated incident does not, in any way, constitute a systemic problem with our screening policies and procedures. Further, the findings wrongly assert that management was unaware of the MA bulletin. Auditors claimed that management “did not have the required policies and procedures in place to conduct background checks on employees before they provide waiver services.” These policies were, have always been, and still are in place.

The auditors were given our policies from the policy manual upon our arrival.

## Appendix D – QHCG’s Response to the Draft Report

Quality Health Care Group, Inc.

July 1, 2014 to June 30, 2016

Finding No. 4 cites Internal Control Weaknesses. Auditors claimed that there was no organized filing system.

Upon arrival, they were given documents from binders originally located in our filing cabinets with the first ninety nine records requested. These files were organized in chronological order, and separated according to patient and form category. It was the removal, and failure to replace files by the auditors that disrupted the filing system in place.

The auditors identified this cause: “We did not observe any other administrative staff assisting management in its quality control practices during our field work. Additionally, we did not observe a filing system or filing cabinets at QHCG.”

At the time of their visit, there were at least 5 filing cabinets in plain view. At the request of one of the auditors, a locked drawer in one of the filing cabinets had to be forcibly opened by a handyman in their presence. Further, files were organized in chronological order, and also separated by patient and form type. These organized files were given to the auditors in binders, that were removed from the filing cabinets in their presence.

To the number of administrative staff—there were two members present for the duration of the audit, as the staff who worked to compile the paperwork worked overtime the night before. There are more than two administrators than the two individuals the auditors met. One of the auditors commended one of the staff for the way she color coded the records processed in order to differentiate other records not processed

The objective, scope and methodology state that the performance audit is meant to obtain appropriate evidence to provide a “reasonable basis” for findings and conclusions. However, the mischaracterizations and misrepresentations throughout these findings fail to provide the basis indicated.

Sincerely,

Afordu M. Ekhtator, PCHA, M.Ed  
Administrator,  
Quality Health Care Group Inc.