

PERFORMANCE AUDIT OF THE MEDICAID HOME HELP PROGRAM .

DEPARTMENT OF COMMUNITY HEALTH AND
DEPARTMENT OF HUMAN SERVICES

SEPTEMBER 10, 2014

AUDIT RESPONSE

Approved: Signature Redacted

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Date: Sept 10, 2014



AUDIT REPORT SUMMARY

DEPARTMENT: Community Health & Human Services
AUDIT PERIOD: October 1, 2010 through August 31, 2013
REPORT DATED: June 17, 2014

DISPOSITION OF AUDIT RECOMMENDATIONS

<u>CITATIONS COMPLIED WITH</u>	<u>CITATIONS TO BE COMPLIED WITH</u>	<u>CITATIONS DCH DID NOT AGREE WITH</u>
	Finding 1*	
	Finding 2*	
Finding 3		
	Finding 4*	
	Finding 5*	
	Finding 6*	
	Finding 7*	
	Finding 8*	
	Finding 9*	
	Finding 10*	
	Finding 11*	
	Finding 12*	
	Finding 13*	

* Some corrective actions have been implemented and others are ongoing.

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

Finding 1: Provider Service Log or Invoice Documentation

The OAG recommended that DCH and DHS timely obtain sufficient documentation, including provider service logs or invoices, provider and client verification, and ASW reviews, to ensure that providers have delivered the services paid for through a preauthorized payment process.

Response:

DCH and DHS underwent a formal business process review of the home help program which recommended several process improvements, identified weaknesses in current policies/procedures, and confirmed the need for a post service payment system. Initial system design requirements have been identified. The departments are now designing an online, automated process to submit monthly logs and invoices. System implementation is expected to begin in January 2015, with a statewide rollout by March 2015. This process is a precursor to a full post-service payment system that will fully address the concerns raised in the audit.

The following corrective actions are being taken:

- a. DCH and DHS analyzed alternative authorization periods. Since a system resolution is expected in early 2015, no modifications to existing authorization periods will be made at this time.
- b. In July 2014, DHS issued a communication to the adult services staff reiterating the requirement to document their review of the provider log for completeness, accuracy, and that it supports the services provided.
- c. By September 30, 2014, DHS will ensure all adult services staff complete mandatory adult services core training that includes review of policy and requirements regarding the home help authorization and payment process.
- d. DCH and DHS are reviewing short term solutions recommended by the business process review and will determine implementation timelines.
- e. DHS management at all levels is monitoring to ensure that sufficient documentation is timely obtained and maintained to support services provided and that the ASW's review of the provider logs is appropriately documented. A database that will provide a means to track the receipt of provider logs will be functional by October 1, 2014.

Finding 2: ASW Contacts with Clients and Providers

The OAG recommended that DCH and DHS ensure that ASWs timely complete required six-month reviews, annual redeterminations, and other required monitoring contacts with their assigned clients and providers.

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

Response:

DHS is completing independent reviews of the cases that were cited in the audit to ensure that reviews, redeterminations and required monitoring contacts with clients and providers are completed. The anticipated completion date is November 1, 2014.

The following corrective actions are being taken:

- a. Steps are currently underway to assure that the periodic reviews are conducted and monitored by DHS management at all levels. System generated reports are scheduled for release and will allow for automated monitoring for standard of promptness of annual and six-month visits. The anticipated completion date is January 1, 2015.
- b. Elements of the six-month review policy were reviewed and clarified in July 2014. A quality assurance review process is being developed to monitor and confirm compliance with the requirements of the six-month review, annual redeterminations and other monitoring contacts. The anticipated completion date is January 1, 2015.
- c. In July 2014, DHS issued a communication to adult services staff reiterating the importance of completing timely reviews, redeterminations and other monitoring contacts and requiring use of ASCAP for scheduling and recording reviews.
- d. By September 30, 2014, all adult services staff will complete mandatory adult services core training that includes review of policy and requirements regarding monthly face-to-face assessments, timely reviews, annual redeterminations and other required monitoring contacts.
- e. DCH and DHS are reviewing short term solutions recommended by the business process review and will determine implementation timelines.
- f. DCH and DHS management will develop additional monitoring protocols as necessary to ensure compliance with corrective actions. DHS protocol development is in progress and on schedule for completion by January 1, 2015.
- g. DCH and DHS, in partnership with DTMB, are in the process of replacing the ASCAP system. Care management presentations are scheduled to begin in October 2014, with a targeted implementation date of fall 2015.

Finding 3: Payments for Services for Ineligible Clients

The OAG recommended that DCH and DHS implement measures to ensure that HHP clients meet HHP eligibility criteria.

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

Response:

This finding was resolved with the implementation of a system edit in March 2014 which prohibits the ASW from entering an authorization for a client without an assessment score of 3 or higher in at least one ADL.

Finding 4: Unemployment Insurance (UI) Claims

The OAG recommended that DCH verify the accuracy of information included on the monetary eligibility determinations and other documents sent to it by UIA related to provider claims.

Response:

DCH reassigned many of the payroll-related functions of the Home Help program to the DCH Finance Bureau, including the responsibility for reviewing and responding to the monetary eligibility determinations. That bureau continues to collect, organize, review, investigate, and respond to the monetary eligibility determinations provided by the UIA. DCH continues to work with the UIA to streamline the process to efficiently use existing resources. Since the reassignment, over 1,951 claims totaling roughly \$1,216,989 in potential claims have been disputed. Of these claims 1,358 were disputed and were not charged to DCH for a savings of \$617,632. In addition DCH is currently working on second level appeals for claims that were billed to DCH, for potential additional cost savings. Since the inception of these new processes DCH has experienced a 22% decrease in quarterly unemployment billings.

DCH in conjunction with DHS will develop additional employment data tracking capabilities so that disputed monetary eligibility determinations can be more easily disputed if necessary. The anticipated completion date is sometime after fall 2015 or earlier if determined appropriate.

Finding 5: Agency Pay Rates for Nonqualified Providers

The OAG recommended that DCH ensure that agency providers meet the requirements to receive the higher agency pay rate.

Response:

All providers have been reviewed for proper reimbursement rate. Agencies with inadequate documentation or those receiving agency rates without DCH approval have been notified to either obtain requisite approval or be moved to individual provider rates. The anticipated completion date is January 2015.

Finding 6: Criminal History Checks

The OAG recommended that DCH and DHS consider conducting criminal history checks for individual providers and requiring agency providers to conduct criminal history checks for their employees and/or subcontractors.

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

Response:

DCH has promulgated a policy to provide for criminal history screenings of providers for the four federally mandated exclusionary convictions that is effective September 1, 2014. Another policy to address a comprehensive list of permissive exclusions is set to be effective on October 2, 2014. System requirements are currently being developed to conduct enrollment of providers and real time criminal screenings through provider enrollment in CHAMPS. The target date to begin screening new providers is October 1, 2014, dependent upon existing system capabilities and existing providers are expected to be compliant by March 31, 2015.

An analysis was conducted of the providers identified in the audit and 49% of these providers were providing services to related parties. Nonetheless, DCH in conjunction with DHS will ensure as part of the MSA 14-40 implementation that appropriate permissive exclusion acknowledgments are obtained from the beneficiary for their providers with permissive exclusions.

Finding 7: Client Case File Review Exceptions

The OAG recommended that DCH and DHS ensure that they make required client benefit reductions, timely obtain client certifications of medical need, timely notify clients of benefit approvals, and maintain sufficient administrative case file documentation.

Response:

The following corrective actions are being taken:

- a. DHS is in the process of completing an independent review of all cases cited in the audit to identify systemic weakness in policy and procedures. Cases that have missing documentation will be brought into compliance. The anticipated completion date is November 1, 2014.
- b. In July 2014, DHS issued a communication to adult services staff reiterating the policy requirements and expectations for client benefit reductions, timely obtaining client certifications of medical need, timely notifying clients of benefit approvals and maintaining sufficient administrative case file documentation.
- c. By September 30, 2014, all adult services staff will complete mandatory adult services core training that includes review of policy and requirements regarding client benefit reductions, certification of medical need, notification of benefit approvals, and case file documentation.

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

- d. As part of the design process for the new case management system, DCH and DHS anticipate automating many of these processes to help ensure compliance. DCH and DHS, in partnership with DTMB, are in the process of replacing the ASCAP system. Care management presentations are scheduled to begin in October 2014, with a targeted implementation date of fall 2015.

Finding 8: Management Use of Client Case File Reviews

The OAG recommended that DCH and DHS effectively utilize the results of HHP case file reviews completed by ASW supervisors and the DCH contractor to correct HHP deficiencies.

Response:

The following corrective actions are being taken:

- a. DHS is drafting a communication to DHS adult services staff reiterating that completing case reads and implementing case read corrections are mandatory. The expected compliance date is September 30, 2014.
- b. By September 30, 2014, all adult services staff will complete mandatory adult services core training that includes review of policy and requirements regarding case reads and implementation of case read findings.
- c. DCH and DHS management will develop additional monitoring protocols as necessary to ensure compliance with the corrective actions. DHS protocol development is in progress and on schedule for completion by January 1, 2015.
- d. DCH and DHS have worked with the contractor that performs the independent reviews to develop and implement an online reporting and review process that has reduced the time to produce and approve corrective action plans for deficiencies from months down to a matter of days.

Finding 9: Controls to Prevent or Recover HHP Payments for Hospitalized Clients

The OAG recommended that DCH and DHS establish effective controls to prevent or recover Medicaid payments for HHP services for hospitalized clients.

Response:

DHS receives a monthly report from DCH on client hospitalizations. The reports are reviewed by DHS staff, and additional actions are taken as appropriate. This is an ongoing process.

DCH and DHS, in partnership with DTMB, are in the process of replacing the ASCAP system. Care management presentations are scheduled to begin in October 2014, with targeted implementation in the fall of 2015.

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

The following corrective actions are being taken:

- a. In July 2014, DHS issued a communication to adult services staff reiterating DHS policy for mandatory referrals for recoupment and referrals for suspected fraud when a client has been hospitalized and has an active Medicaid Home Help case.
- b. By September 30, 2014, all adult services staff will complete mandatory adult services core training that includes a client's responsibility to report hospitalization, prohibits payment of home help services during hospitalization, and mandatory staff referrals for recoupment and for suspected fraud when a client has been hospitalized and has an active Medicaid home help case.

Finding 10: Controls to Prevent or Recover HHP Payments for Clients in a Nursing Facility

The OAG recommended that DCH and DHS establish effective controls to prevent or recover Medicaid payments for HHP services for clients who were admitted to a nursing home.

Response:

DHS has reviewed all of the cases identified in the audit. Recoupment processes have started for the majority of the cases and additional recoupment actions were taken where deemed appropriate.

System edits were implemented in April 2014 that effectively stop the authorization from generating a payment for any clients who are identified as being in a nursing facility. Review of data queries is in process and will be ongoing.

By September 30, 2014, all adult services staff will complete mandatory adult services core training that includes required recoupment procedures for clients residing in a nursing facility who have an active home help case.

Finding 11: Review of Undeliverable W-2 Forms

The OAG recommended that DCH implement a process to review W-2 forms that are returned as undeliverable to help identify potential fraud and abuse in HHP.

Response:

DCH has completed their review of a sample of the W-2s that were returned for 2013. A meeting will be scheduled to discuss the results of the review with the appropriate staff and a determination of an efficient and effective review process going forward will be discussed. No completion date has yet been determined. In addition, with the enrollment of all home help providers into CHAMPS, it is expected that in subsequent years the number of returned W-2s

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

will decrease significantly. The anticipated completion date is sometime after fall 2015 or earlier if determined appropriate.

Finding 12: Referral of Suspected Client and Provider Frauds

The OAG recommended that DCH and DHS establish a process for ASWs to refer suspected HHP provider frauds to the DCH OIG for investigation and potential referral for prosecution.

The OAG also recommend that DHS implement measures to ensure that ASWs refer suspected HHP client frauds to the DHS OIG for investigation and potential referral for prosecution.

Response:

In April 2014, DCH and DHS and the Office of the Attorney General developed a coordinated process that delineated responsibilities across departments. This new process designates the DHS Inspector General as the single point of entry for suspected home help program fraud referrals. This new process includes tracking mechanisms so that referrals can be adequately tracked from start to finish.

DHS has completed an independent review of all the cases cited in the audit. OIG and recoupment referrals are in progress and on schedule for completion by January 1, 2015.

In July 2014, DHS issued a communication to DHS adult services staff reiterating that completing case reads and implementing case read corrections are mandatory.

By September 30, 2014, all adult services staff will complete mandatory adult services core training that includes review of policy and requirements regarding case reads and implementation of case read findings.

Finding 13: Data Reporting System

The OAG recommended that DHS ensure the development of an adequate data reporting system for HHP.

Response:

Initial reports were released in June 2014. Additional reports are in development and on schedule for completion and release by January 1, 2015.

DCH and DHS in partnership with DTMB are pursuing an enhancement to or the replacement of the home help case management system and will explore the possibility of adding more robust and flexible reporting capabilities.

**Audit Response
Performance Audit
Medicaid Home Help Program
Department of Community Health and
Department of Human Services
October 1, 2010 through August 31, 2013**

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