

EXECUTIVE DIGEST

HOME HEALTH CARE

INTRODUCTION

This report, issued in December 1999, contains the results of our performance audit* of Home Health Care within the Department of Community Health (DCH), Department of Consumer and Industry Services (CIS), and Family Independence Agency (FIA).

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

Medicaid* home health care in Michigan is primarily administered and funded by the DCH Medical Services Administration. The Michigan Medicaid providers of home health care are required to have a current Medicare* certification. The Medicare certification surveys* are conducted by the CIS Special Services Unit. Home help services, administered by DCH, are case managed by the FIA Office of Adult Services.

Our audit included six of the programs that provide some type of home health care services to Michigan's Medicaid population. These six programs are administered by DCH. In addition to the traditional home health care

benefit, there are three hourly nursing care programs: Children's Hourly In-Home Locally Delivered Services, Specialized Home Care Program, and Children's Home and Community Based Waiver Program (Children's Waiver). Two other programs provide various types of home health care services: the Home and Community Based Services Waiver for the Elderly and Disabled and the Home Help Program.

The primary objective of Medicaid home health care is to ensure that essential medical/health services are made available to those who would not otherwise have the financial resources to purchase them. Home health care benefits are intended for those clients whose conditions do not require continuous medical/nursing and related care, but require home health care services on an intermittent basis.

In 1997, the six programs provided over 50,000 clients with Medicaid home health care services totaling \$188.5 million.

**AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS**

Audit Objective: To determine whether DCH had procedures in place to ensure that quality care was provided to clients.

Conclusion: We determined that DCH generally did not have adequate procedures in place to ensure that quality care was provided to clients who received home health

care services. Our assessment disclosed one material condition*:

- DCH's monitoring program was not adequate to reasonably ensure that providers of home health care services provided quality services to clients and that claims submitted by providers complied with program requirements (Finding 1).

DCH partially agreed with the corresponding recommendation and informed us that it will initiate corrective action for portions agreed to and will review current practices relative to portions disagreed with.

Our assessment also disclosed a reportable condition* related to management of the Children's Waiver waiting list (Finding 2).

Noteworthy Accomplishments: DCH organized an interagency hourly care work group in the fall of 1998 to review areas such as policies, procedures, and utilization problems for all hourly health care programs and waivers. DCH performed an extensive telephone survey of home health care agencies that provide hourly care to children to identify issues leading to access problems in some areas of the State. As a result of this survey, DCH approved and implemented a rate increase for hourly care nurses and aides effective January 1, 1999. The work group proposed solutions to a variety of other identified issues and referred the proposals to the appropriate areas within DCH for action.

Since April 1998, DCH has expanded waiver service coverage for the elderly and disabled to all 83 counties and has served 5,778 clients.

Audit Objective: To determine whether the services for DCH clients billed by the providers were properly authorized, approved, allowable, and provided.

Conclusion: We determined that per visit home health care services billed for DCH clients generally were properly authorized, approved, allowable, and provided. However, we determined that hourly home health care services billed for DCH clients generally were not properly authorized, approved, allowable, and provided. Our assessment disclosed one material condition:

- The policies and procedures that DCH issued for home health care were not sufficient for programs that provide hourly home health care service benefits to children (Finding 3).

DCH agreed with the corresponding recommendation and informed us that it has initiated corrective action.

Our assessment also disclosed a reportable condition related to client eligibility (Finding 4).

Noteworthy Accomplishments: DCH implemented a monitoring program for client cases at the Community Mental Health Services Programs that included a review of Children's Waiver cases that had an average of 8 hours or less of hourly nursing services. This monitoring was conducted to ensure that clients were eligible to receive services and that the services were appropriate for the clients' needs.

Audit Objective: To determine if CIS ensured that providers were meeting federal certification requirements.

Conclusion: We determined that CIS generally ensured that providers were meeting federal certification requirements. However, our assessment noted two reportable conditions related to survey sample sizes and survey intervals (Findings 5 and 6).

Noteworthy Accomplishments: One of the goals of the Health Care Financing Authority, U.S. Department of Health and Human Services, is to develop and implement an outcome-based standard core assessment data set. This data set will allow home health care agencies to compare their patient care services to other home health care agencies on a local, regional, and national basis. It is expected that the agencies would then develop mechanisms to maintain or improve the quality of their patient care services. The Outcome and Assessment Information Set (OASIS) is the first phase of a home health care agency outcome-based quality improvement program. CIS has appointed an educational coordinator and an OASIS technical coordinator to oversee the implementation of OASIS in the State of Michigan. These individuals have conducted Statewide clinical and technical training sessions for home health care agency providers and are working collaboratively with the State's Home Health Agency Association and DCH to implement the new outcome-based system.

Audit Objective: To determine the effectiveness of CIS's implementation of the federal complaints monitoring process for service providers.

Conclusion: We determined that CIS generally was not effective in implementing the federal complaints monitoring process for service providers. Our assessment disclosed one material condition:

- The Special Services Unit did not investigate home health care agency complaints in a timely manner (Finding 7).

CIS agreed with the corresponding recommendation and informed us that it has compiled with the recommendation.

Audit Objective: To determine whether the services provided to clients under the Michigan Home Help Program, including the Michigan Expanded Home Help Program, were properly authorized, approved, allowable, and provided.

Conclusion: We determined that generally the services provided to clients under the Michigan Home Help Program, including the Michigan Expanded Home Help Program, were properly authorized, approved, allowable, and provided. However, our assessment disclosed two reportable conditions related to Home Help Program controls and the Home Help Procedure Manual (Findings 8 and 9).

Noteworthy Accomplishments: Michigan was commended in a multi-state study conducted by the Commonwealth Fund on the cost and quality of life impact of consumer choice in in-home personal care programs. The study determined that consumers' ability to choose their home care aides, such as in the Michigan Home Help Program, resulted in: 1) a more stable level of care with a

lower provider turnover rate, and 2) a significantly greater rate of consumer satisfaction with their personal care aides. Michigan's program was also recognized by the National Performance Review for exemplary interagency cooperation in developing a reengineered process to automate Federal Insurance Contributions Act (FICA) payments to the federal government on behalf of home help providers. Ensuring that FICA payments are made on behalf of providers enables those providers to qualify for work quarters and potentially obtain social security benefits.

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of the various home health care programs within the Department of Community Health, Department of Consumer and Industry Services, and Family Independence Agency. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included examining DCH, CIS, and FIA records and activities for the period October 1, 1996 through December 31, 1998. Our audit procedures also included examining CIS survey records and activities for the period January 1, 1995 through September 30, 1996.

We obtained an understanding of the policies and procedures used by DCH to monitor the various home health care programs in order to ensure that quality care was provided to clients. Also, we completed case file tests to determine that clients were receiving the care that was ordered by the physicians and that the services provided

were properly paid. Further, we analyzed program requirements and processes to establish eligibility and determine the amount of services needed.

We obtained an understanding of the process to become a Medicare certified provider and selected a sample of certified providers to test the certification surveys conducted.

Also, we analyzed the timeliness of the certification process.

Further, we obtained the complaints filed with the State against home health care agencies and tested the process used to follow up the complaints received.

**AGENCY RESPONSES
AND PRIOR AUDIT
FOLLOW-UP**

Our audit report includes 9 findings and 9 corresponding recommendations. DCH's preliminary response indicated that it agreed with 3 of the 4 recommendations and partially agreed with the 1 other recommendation addressed to DCH. CIS's preliminary response indicated that it agreed with all 3 of the recommendations addressed to CIS. FIA's preliminary response indicated that it agreed with the 2 recommendations addressed to FIA.

One of the 4 prior audit recommendations included within the scope of our current audit was complied with. We repeated 1 prior audit recommendation and the 2 other prior audit recommendations were rewritten for inclusion in this audit report.