

**Department of Health and Human Services  
Bureau for Medical Services**

**AUDIT FINDINGS**

**Department of Health & Human Services Office of Inspector General Audit  
Personal Care Services Under Its Medicaid State Plan A03-11-00204**

**Findings**

**1. SERVICES NOT SUPPORTED BY DOCUMENTATION**

Section 1902(a)(27) of the Act requires that Medicaid providers keep records necessary to fully disclose the extent of the services provided to the beneficiary. Federal regulations (42 CFR § 431.17) require the State agency to maintain or supervise the maintenance of the records necessary for the proper and efficient operation of the State plan. In addition, Federal regulations (42 CFR § 455.1(a)(2)) require States to have a method to verify whether services reimbursed by Medicaid were actually furnished to beneficiaries.

Section 517.16.8 of the Provider Manual requires that providers maintain personal care daily logs completed by the personal care aides for the number of hours of personal care services. The personal care daily logs identify the allowable tasks performed and are signed by the registered nurse to document that the service was rendered according to the plan of care. Providers maintain nurse notes logs completed by the registered nurses as part of their oversight function.

For 10 of the 100 beneficiary-months in our sample, the State agency claimed costs for personal care services that were not supported by the documentation:

- For 5 of the 10 beneficiary-months, the providers billed for more personal care service hours than supported by the personal care daily log.
- For 3 of the 10 beneficiary-months, the providers billed for personal care services for which the personal care daily log did not support that the service was rendered.
- For 1 of the 10 beneficiary-months, the provider billed for a nurse assessment and oversight service for which the nurses' notes log did not support that the service was rendered.
- For 1 of the 10 beneficiary-months, the provider billed for a nurse oversight service on a date for which the nurse notes log indicated that the beneficiary refused the personal care services and therefore the service was not allowable.

## 2. SERVICES NOT IN ACCORDANCE WITH PLAN OF CARE

Pursuant to section 1905(a)(24) of the Act, as implemented by Federal regulations (42 CFR § 440.167), the Medicaid State plan requires that personal care services be authorized by a physician pursuant to a plan of care or, at the State agency's option, otherwise authorized in accordance with a service plan approved by the State agency.<sup>9</sup> The Medicaid State plan also requires that, in order to receive reimbursement for personal care services, the units of services<sup>10</sup> must be authorized in the approved plan of care.

For 7 of the 100 beneficiary-months in our sample, the State agency claimed services that were not in accordance with the beneficiaries' authorized plans of care:

- For 4 of the 7 beneficiary-months, the providers billed for services that were not authorized in the beneficiary's plan of care.
- For 2 of the 7 beneficiary-months, the provider billed for more hours than authorized by the beneficiary's plan of care.
- For 1 of the 7 beneficiary-months, the provider billed twice for 3 days of personal care services: for the services performed by one personal care aide and for a second personal care aide receiving training during the performance of the services.

## 3. NO PLAN OF CARE

Section 1905(a)(24)(A) of the Act, as implemented by Federal regulations (42 CFR § 440.167 (a)(1)), states that personal care services must be provided in accordance with a plan of care. The Medicaid State plan states that a registered nurse must prepare the plan of care with the eligibility form.<sup>11</sup> For 1 of the 100 beneficiary-months in our sample, the beneficiary file included only an expired plan of care. We requested a plan of care effective for the beneficiary month, but the provider did not produce one.

## 4. PERSONAL CARE AIDE NOT QUALIFIED

Pursuant to section 1905(a)(24) of the Act, as implemented by Federal regulations (42 CFR § 440.167), the Medicaid State plan requires that personal care services be "provided by an individual who is qualified to provide such services ..."<sup>12</sup> Section 517.7 of the Provider Manual establishes the requirements for training individuals to provide personal care services. Personal care aides must receive 8 hours of basic training before rendering care, 24 additional hours within the first twelve months of employment, and 8 hours<sup>13</sup> of training every year after the first year of employment.

For 1 of the 100 beneficiary-months in our sample, the provider did not verify that the personal care aide had obtained the required additional 24 hours of training within the first year of employment. In addition, there was no documentation to support that the personal care aide received any training during the calendar year that included our beneficiary-month.

## 5. **BENEFICIARY NOT ELIGIBLE**

Pursuant to section 1905(a)(24)(A) of the Act, as implemented by Federal regulations (42 CFR § 440.167 (a)(1)), the Medicaid State plan limits personal care services to individuals who are<sup>14</sup> eligible based on the personal care needs criteria on the eligibility form signed by a physician.

For 1 of the 100 beneficiary-months in our sample, the provider billed for services to a beneficiary for whom the eligibility form showed that the beneficiary did not meet the personal care needs criteria.

## 6. **BENEFICIARY IN A NURSING HOME**

Pursuant to section 1905(a)(24)(A) of the Act, as implemented by Federal regulations (42 CFR § 440.167 (a)(1)), the Medicaid State plan states that personal care services may not be furnished<sup>15</sup> to an individual who is an inpatient or resident of a hospital or a nursing home.

For 1 of the 100 beneficiary-months in our sample, the provider billed for nurse oversight services when the beneficiary was in a nursing home.

## 7. **ESTIMATE OF THE UNALLOWABLE AMOUNT**

Of the 100 beneficiary-months in our random sample, 18 were not in compliance with Federal and State requirements. Of the 18 noncompliant claims, 3 contained more than 1 deficiency. Using our sample results, we estimated that the State agency improperly claimed \$360,539 in Federal Medicaid reimbursement. The details of our sample results and estimates are shown in Appendix B.

The State agency did not sufficiently monitor personal care claims submitted by providers to ensure compliance with Federal and State requirements. As a result, some beneficiary-months included deficiencies.

## **Recommendations**

We recommend that the State agency:

- refund \$360,539 to the Federal Government and
- improve its monitoring of providers to ensure compliance with Federal and State requirements for personal care services.

## **Response**

In its written comments on the report, the State agency concurred with their recommendation and described corrective actions that it had taken or planned to take.

The State agency's comments are presented in their entirety as Appendix C.

**Department of Health and Human Services – Office of Inspector General Audit**  
**Personal Care Services Claimed for Its Aged and Disabled Waiver Program A-03-11-00205**

**Findings**

*1. Incorrectly Billed Personal Care Service Claims*

In six of our sampled beneficiary-months, provider’s billed for services in excess of the hours of service documented. Based on our sample results (Appendix B), we estimate that the State agency claimed \$19,830 for these unallowable costs.

Under its agreement with the State agency, the Bureau instructed personal care service providers to complete monthly timesheets for the number of hours of personal care services provided per day and to identify the allowable tasks performed. The Bureau further required a nurse to sign each timesheet to document that the services were provided in accordance with the beneficiary’s plan-of-care before the provider submitted an invoice to the State agency for reimbursement. However, some providers submitted invoices for more hours than the timesheets supported, as shown in the table on the following page:

<b>Hours Not Supported by Timesheets Sample Number</b>	<b>Hours Claimed</b>	<b>Reported on Timesheet</b>	<b>Variance</b>
16	33.50	31.00	2.50
36	141.25	140.00	1.25
42	105.00	77.00	28.00
44	84.00	80.00	4.00
55	91.50	89.50	2.00
91	106.00	89.00	17.00

These errors occurred because some providers did not have sufficient controls to ensure that only services actually provided and documented by timesheets were billed.

**Recommendations**

We recommend that the State agency:

- refund \$19,830 to the Federal Government and
- work with providers to ensure compliance with Federal requirements.

## **Response**

In its written comments on the draft report, the State agency concurred with their recommendation and described the action it had taken or planned to take to address them.

The State agency's comments are presented in their entirety as Appendix C.