



August 22, 2013

Ms. Sherry Green
Executive Director
Mother Care, Inc.
6600 Blakemore St. Apt. G-1
Philadelphia, Pennsylvania 19119

Dear Ms. Green:

I am enclosing the final performance audit report of Mother Care, Inc. that 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 that you were especially helpful to Edwina Downs in expediting the audit process.

The final report will be forwarded to the Department's Office of Developmental Programs (ODP) to begin the resolution process concerning the report's contents. The staff from ODP may be in contact with you to follow up on any action taken to comply with the report's recommendations.

If you have any questions concerning this matter, please contact David Bryan, Audit Resolution Section at (717) 783-7217.

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
Mr. Timothy O'Leary
Ms. Patricia McCool
Ms. Deborah Donahue

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
SEFO Audit File (S1201 - R51)

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 DPW'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 (65 P.S. §§ 67.101 et seq.) The DPW RTKL Office can be contacted by email at: ra-dpwtkl@pa.gov.

August 22, 2013

The Honorable Beverly Mackereth
Secretary for Public Welfare
Health & Welfare Building, Room 333
Harrisburg, Pennsylvania 17120

Dear Secretary Mackereth:

In response to a request from the Office of Developmental Programs (ODP), the Bureau of Financial Operations (BFO) initiated an audit of Mother Care, Inc. The audit was designed to investigate, analyze and make recommendations regarding the reimbursements from the Provider Reimbursement and Operations Management Information System (PROMISE) billings. The audit covered the period from October 1, 2010 to March 31, 2012 (Audit Period).

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

Executive Summary

Mother Care provides in-home services to consumers with special needs. Mother Care assists consumers to acquire and maintain the highest possible level of independent living by providing habilitation and respite services. Mother Care provides services through participation in the Community –Based Services (Consolidated, Person/Family Directed Supports, and Autism) waiver programs.

The report's findings and recommendations for corrective action are summarized below:

| FINDING No.1 | SUMMARY |
|--|---|
| <p><i>Mother Care's Consumer Progress Notes Were Incomplete and the Nature and Extent of the Notes Did Not Support the Services Reimbursed.</i></p> | <p>On occasion, consumers' progress notes were incomplete or the descriptions of services rendered did not correspond with the description of authorized Home and Community Habilitation services given in the Waiver. A random sample of claims was tested for adequacy of documentation. The result was that 46.57% of the tested claims were unsupported. Extrapolating this variance over the entire population of reimbursed claims results in a disallowance of \$36,454.</p> |

Mother Care, Inc.
October 1, 2010 Through March 31, 2012

HIGHLIGHTS OF RECOMMENDATIONS

ODP should:

- Recover \$36,454 from Mother Care due to unsupported claims.
- Closely monitor the content of the consumers' progress notes to verify that services rendered are adequately documented as to the nature and extent of services.

Mother Care should:

- Train care-givers to adequately document the nature, extent and results/outcomes of the services they render.
- Require supervisory review of the progress note content before approving time sheets and PROMISE billings.
- Only claim reimbursement for services rendered that are consistent with an individual's ISP and fit the definition of the applicable PROMISE procedure code. Also, retain relevant and complete documentation for each claim submitted to PROMISE.

| FINDING No. 2 | SUMMARY |
|---|--|
| Units of Service Invoiced to PROMISE Exceed Units of Service that Were Paid to Care-givers | By comparing PROMISE billings to payroll records, it was determined that the hours paid to care-givers were not consistent with the units billed to, and reimbursed by, PROMISE. |

HIGHLIGHTS OF RECOMMENDATIONS

ODP should:

- Recover \$13,005 from Mother Care due to inconsistencies between payroll records and PROMISE reimbursements.

Mother Care should:

- Only submit PROMISE claims for services rendered and compensated for as indicated on care-givers' time sheets for that particular period.

| FINDING No.3 | SUMMARY |
|--|--|
| <i>Mother Care Did Not Perform Required Staff Screenings of its Employee Care-givers.</i> | Medical Assistance Bulletin # 99-11-05 requires that providers develop internal procedures to screen employees and contractors prior to hiring, and on a regular basis, for histories of any activity that would preclude them from participating in federal health care programs. |

Mother Care, Inc.
October 1, 2010 Through March 31, 2012

HIGHLIGHTS OF RECOMMENDATIONS

ODP should:

- Verify that Mother Care establishes a policy of performing background checks for all new employees and contractors.
- Verify that Mother Care implements periodic, ongoing screening of current employees and contractors.

Mother Care should:

- Require background checks before hiring new employees to ensure that care-givers are not excluded from participation in federal health care programs.
- Incorporate a periodic screening of current employees and contractors to determine if there have been any criminal activities that would prohibit the employee from working as a care-giver and the agency from claiming reimbursement for those services.
- Require employees and contractors to report any criminal convictions to Mother Care's management.

| FINDING No. 4 | SUMMARY |
|--|--|
| Mother Care's Policies, Procedures, and Controls Over Internal Documents Are Inadequate | Analysis of internal controls revealed various deficiencies that diminished the provider's ability to ensure the proper delivery of service. |

HIGHLIGHTS OF RECOMMENDATIONS

ODP should:

- Require county monitoring units to conduct a comprehensive review of Mother Care's programmatic operations.
- Require a corrective action plan (CAP) pertaining to Mother Care's internal control deficiencies to include the timeframes as to when each deficiency will be corrected.

Mother Care should:

- Update the Care-giver training handbook.
- Develop a comprehensive policies and procedures manual.
- Ensure that the services delivered are a function of the outcomes prescribed in an individual's ISP.
- Ensure that progress notes support the procedure code invoiced to PROMISE.
- Ensure that care-giver time records are in agreement with the number of units invoiced, and with the time/units for which care-givers are paid.
- Ensure that all employees' compensation is documented within Mother Care's payroll records.

Background

Mother Care, Inc. is a Pennsylvania not-for-profit corporation. Its registered address and operational office is located in Philadelphia, PA. Mother Care serves consumers who are enrolled by ODP. Mother Care works with consumers with developmental disabilities to provide in-home habilitation services. Mother Care provides habilitation and respite services in consumers' homes. A significant portion of direct services are delivered by family members who are employees of Mother Care.

Mother Care, Inc.
October 1, 2010 Through March 31, 2012

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP was:

- To determine if Mother Care has adequate documentation to substantiate the claims reimbursed through PROMISe for services delivered.

The criteria used to ascertain the adequacy of supporting documentation was 55 Pa. Code Section 1101, ODP Bulletin #00-07-01 dated April 26, 2007 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed ODP personnel and Mother Care's management. The BFO also analyzed consumer files, claim documentation, care-givers' time records, progress notes, payroll records, PROMISe reimbursement data, electronic records available in the Home and Community Services Information System (HCSIS), and other pertinent data necessary to pursue the audit objective.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objective described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of the effectiveness of those controls. Based on our understanding of the controls, certain material deficiencies in the recording of transactions and in completion and retention of documentary evidence came to our attention. Areas where we noted an opportunity for improvement in management controls are addressed in Findings of this report.

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 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.

The BFO's fieldwork was conducted intermittently from November 27, 2012 to January 14, 2013. This report, when presented in final form, will be available for public inspection.

Results of Fieldwork

Finding No 1 – Mother Care's Consumer Progress Notes Were Incomplete and the Nature and Extent of the Notes Did Not Support the Services Reimbursed

The BFO utilized a statistically valid random sample (SVRS) whereby 57 PROMISe claims were selected for the Audit Period. Each claim was examined for adequacy of documentation, proper authorization, and verification that the hours claimed on time sheets correlated with the units billed. The BFO determined that the progress notes were deficient for two reasons. Progress notes were found to be incomplete; and, progress notes referred to activities that were not consistent with the nature of the service to be rendered per the ISP (i.e. Home and Community Habilitation services).

In the instances where the progress notes were incomplete, the BFO was unable to determine if the correct service was provided and, if so, whether the nature and extent of the activities met the required level of service as specified in the Waiver. The cost associated with the incomplete progress notes was disallowed.

Mother Care, Inc.
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Some examples of incomplete progress notes are as follows: (1) progress notes that were simply left blank; (2) progress notes that were single sentence descriptions of the consumer's state of mind but did not state that any services were provided; (3) a progress note for [REDACTED] that merely states, "She was happy and played this morning for some reason."; and (4) a progress note where the care-giver circled "No" where it asks:

"Therapeutic Activities
____ Yes ____ No If yes, where was activity located? _____"

In certain other instances, some of the billing was allowed because therapeutic services were rendered out of the home but no habilitation was provided while in the home, according to the documentation provided.

The exceptions totaled 46.57% of the amount sampled. By extrapolating the exceptions over the population, the amount computed as the disallowance is \$36,454.

Recommendations

The BFO recommends that ODP recover \$36,454 for unsupported claims.

The BFO also recommends that ODP closely monitor the content of the consumers' progress notes to verify that services rendered are adequately documented as to the nature and extent of services.

Additionally, the BFO recommends that Mother Care train its care-givers to adequately document the nature, extent and results/outcomes of the services they render.

The BFO further recommends that Mother Care require supervisory review of the progress note content before approving time sheets and PROMISe billings.

Finally, The BFO also recommends that Mother Care only claim reimbursement for services rendered that are consistent with an individual's ISP and fit the definition of the applicable PROMISe procedure code. Also, retain relevant and complete documentation for each claim submitted to PROMISe.

Finding No 2 – Units of Service Invoiced to PROMISe Exceed Units of Service that Were Paid to Care-givers

The BFO's analysis of Mother Care's billing and payroll records indicated that the units or hours of service invoiced to PROMISe exceeded the units or hours of service that Mother Care paid its care-givers. This discrepancy results in a disallowance of \$13,005.

Verification of care-givers' time and attendance revealed that service units provided were not in agreement with the units invoiced to PROMISe. In these instances, payroll records were analyzed to determine the actual time a care-giver provided service.

Two care-giver's time per the payroll records differed consistently from time (units) invoiced to PROMISe. The discrepancies can be attributed to inconsistencies in time records supporting the hours worked. As such, units invoiced in excess of service units paid to care-givers were disallowed.

Mother Care, Inc.
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Mother Care's management stated that due to staff turnover, records were not always properly maintained. The disallowance associated with this finding relates to claims paid through PROMISe that were not included in the SVRS.

Recommendations

The BFO recommends that ODP recover \$13,005 from Mother Care due to inconsistencies between payroll records and PROMISe reimbursements.

The BFO also recommends that Mother Care only submit PROMISe claims for services rendered as indicated on care-givers' time sheets for that particular period.

Finding No 3 – Mother Care Did Not Perform Required Staff Screenings of its Employee Care-givers

Mother Care did not perform background screenings of its staff to ensure compliance with MA Bulletin 99-11-05. Effective August 15, 2011, Medical Assistance (MA) providers are required to perform screenings of staff to determine if they have been excluded from participation in federal health care programs. The Bulletin states that providers should conduct a self-audit of its employees before hiring and on a monthly basis.

Reimbursements for direct care services provided by staff that has been excluded would be ineligible and would therefore result in an overpayment of claims.

Mother Care did not have procedures in place to conduct initial or ongoing background screenings. As such, Mother Care was not in compliance with MA Bulletin 99-11-05.

Recommendations

The BFO recommends that ODP verify that Mother Care establishes a policy of performing background checks for all new employees and contractors and verify that Mother Care implements periodic, ongoing screening of current employees and contractors.

The BFO also recommends that Mother Care develop procedures to conduct initial and ongoing background screenings of staff and applicable entities to ensure compliance with the regulations as stated in MA Bulletin 99-11-05.

Additionally, the BFO recommends Mother Care incorporate initial and periodic screenings of current employees and contractors to determine if there have been any criminal activities that would prohibit the employee from working as a care-giver and the agency from claiming reimbursement for those services.

Finally, the BFO recommends Mother Care require employees and contractors to report any criminal convictions to Mother Care's management.

Finding No 4 – Mother Care’s Policies, Procedures, and Controls Over Internal Documents Are Inadequate

Mother Care’s policies, procedures, and controls over internal documents are inadequate to ensure the proper number of units of service was charged to PROMISe and the correct amount was paid to care-givers. This lack of controls also diminishes the provider’s ability to ensure the proper quantity and types of services were provided to consumers.

The BFO’s analysis of business practices, records and reports indicated the following internal control deficiencies:

- The care-giver training handbook was obsolete. The majority of training referenced autism services.
- Care-giver timesheets did not agree with the number of units invoiced in PROMISe and/or the service time/units used to calculate the care-givers’ pay. In several instances, two care-givers’ time was combined on a single timesheet.
- Progress notes were not reflective of the outcomes identified on the ISPs.
- Progress notes did not support the type of service that was invoiced. Home and Community Habilitation was invoiced while service description(s) within the progress notes could only support companion services.
- At times, progress notes were prepared by someone other than the care-giver who provided the direct service. At other times, the progress notes did not indicate that any therapeutic activity was provided.
- Payroll records were incomplete because care-givers were compensated with non-payroll checks and cash.

As a result, the validity of the services delivered cannot be confirmed in many cases. Furthermore, the lack of management oversight could lead to a diminished quality of service because the services that are being provided may not match the consumers’ needs as identified in their ISPs.

Recommendations

The BFO recommends that ODP require county monitoring units to conduct a comprehensive review of Mother Care’s programmatic operations. Due to the internal control deficiencies cited, Mother Care should be required to prepare a corrective action plan (CAP) to include the timeframes as to when each deficiency will be corrected.

The BFO also recommends that Mother Care implement the following corrective action:

- Update the care-giver training handbook.
- Develop a comprehensive policies and procedures manual
- Ensure that the services delivered are a function of the outcomes prescribed in an individual’s ISP.

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- Ensure that progress notes support the procedure code invoiced to PROMISE.
- Ensure that care-giver time records are in agreement with the number of units invoiced, and with the time/units for which care-givers are paid.
- All employees' compensation should be documented within Mother Care's payroll records.

Exit Conference / Conclusion on the Objective

An exit with Mother Care's management was held on June 7, 2013. The draft report's contents and Mother Care's response were discussed. As a result, certain revisions were made to the final report including changes that affected the amount of disallowance noted in Finding No 1.

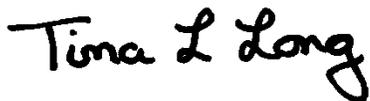
In conclusion, Mother Care, Inc. did not always have adequate documentation to substantiate PROMISE claims paid from October 1, 2010 through March 31, 2012.

In accordance with our established procedures, an audit response matrix will be provided to ODP. Once received, ODP staff should complete the matrix within 60 days and email the Excel file to the DPW Audit Resolution Section at:

RA-pwauditresolution@pa.gov

The response to each recommendation should indicate ODP's concurrence or non-concurrence, the corrective action to be taken, the staff from ODP responsible for the corrective action, the expected date that the corrective action will be completed, and any related comments.

Sincerely,



Tina L. Long, CPA
Director

c: Ms. Karen Deklinski
Mr. Timothy O'Leary
Ms. Patricia McCool
Ms. Deborah Donahue

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
SEFO Audit File (S1201 – R51)

MOTHER CARE, INC
RESPONSE TO THE DRAFT REPORT

APPENDIX

May 6, 2013

Mr. Daniel Higgins, Audit Manager
Division of Audit and Review
Bureau of Financial Operations
Department of Public Welfare
801 Market Street, Suite 5040
Philadelphia, PA 19107-3126

Dear Mr. Higgins & Edwina Downs,

Please accept my request for an exit conference on May 22, 2013 to discuss the drafted performance audit report of Mother Care, Inc. as prepared by the Division of Audit and Review, which covers the period of October 1, 2010 to March 31, 2012.

Enclosed you will find Mother Care, Inc.'s responses to the findings and recommendations that were addressed and noted within the report. You will find that there are areas that I am both in concurrence and nonoccurrence with. It is my hope that the exit conference will offer both parties the opportunity to gain further clarity regarding the issues noted. It is also my hope that the outcome of the conference will ultimately serve to improve the programmatic and service delivery practices at Mother Care, Inc.

I look forward to the opportunity to meet with you and I thank you for taking my responses into consideration. If there is anything further required, please let me know.

Sincerely,

Sherry C. Green
Executive Director/Owner

Below please find Mother Care's responses to the findings and recommendations submitted within the draft performance audit report prepared by the Division of Audit and Review (DAR). The audit covered the period of October 1, 2010 to March 31, 2012.

FINDING No. 1: "Mother Care's Consumer Progress Notes Were Incomplete and the Nature and Extent of the Notes Did Not Support the Services Reimbursed."

Mother Care's Response:

In response to this finding Mother Care, Inc. (MC) completed another internal audit to determine whether or not this finding is accurate. Upon completion, MC has determined that there were two notes, one dated [REDACTED] and the other [REDACTED] that were incomplete. MC also determined that all other notes during the covered period were in alignment with both the Home and Community Habilitation services as described on the waiver and with the individuals' ISP. As a result of the aforementioned determination, MC is not in full concurrence with this finding and therefore not in agreement with the recommendation for ODP to recover \$38,486 for unsupported claims. It is also important to add that an individual who is no longer an employee of MC completed the progress notes in question. Also, many individuals who are receiving MC's services are working on areas such as; socialization skills, mobility, fine and gross motor skills, listening and responding, etc. All of which are being addressed as evidenced from MC's internal review of documentation.

MC will take the following actions to ensure that progress notes more clearly document the services that are being rendered:

- MC will re-train all staff by June 30, 2013 to ensure that they provide an increased level of relevant and adequate detail within the progress notes.
- MC will continue to utilize individual supervision sessions to review progress notes and ensure that they provide full detail and results/outcomes regarding the services that were provided. Individual supervision sessions are currently scheduled to take place at least once per month.
- MC has and will continue to implement its quality assurance process at least quarterly to ensure that the documentation submitted aligns with the Home and Community Habilitation services described in the waiver and within individuals' ISPs, which will serve to aid in accuracy in billing.
- MC's supervisory staff will review all progress notes to ensure appropriate content before approving time sheets and PROMISe billings.

FINDING No. 2: "Units of Service Invoiced to PROMISe Exceed Units of Service that Were Paid to Caregivers"

Mother Care's Response:

In response to this finding, Mother Care is in concurrence. This oversight was largely due to chaotic situations and staff turnover at clients' home, which led to records being maintained improperly. As a result Mother Care will take the following corrective actions to prevent the possibility of a reoccurrence of such an incident;

- MC will re-train staff with this assigned task by April 1, 2013 to ensure MC will only submit claims for payment that can be supported by the payroll records. This will serve to ensure that both claims and payroll records are being reviewed before submission.
- MC will also implement a payroll record and billing review within its quality assurance process that is already scheduled to take place on a quarterly basis.

FINDING No. 3: "Mother Care Did Not Perform Required Staff Screenings of its Employee Caregivers."

Mother Care's Response:

In response to this finding, Mother Care is in concurrence. As a result Mother Care has now established a formal policy (as of March 15, 2013) to address this matter and will also take the following corrective actions;

- MC has completed background checks for all of its current employees as of March 2013.
- MC has also implemented ongoing monthly screenings of all current employees to determine if there have been any criminal activities that would prohibit the employee from working for Mother

- Care. The target date of implementation was March 15, 2013 and monthly thereafter.
- MC will assure that all background checks be completed before hiring new employees.
- MC's current staff and any future staff will be required to sign a formal agreement with Mother Care, notifying them of the requirement to report any criminal convictions to management. This formal agreement has been implemented as of April 22, 2013.

FINDING No. 4: "Mother Care's Policies and Procedures, and Controls Over Internal Documents Are Inadequate."

Mother Care's Response:

In response to this finding Mother Care is not in full concurrence. While there are corrective actions needed, some deficiencies noted regarding progress notes are unfounded. In particular, the BFO noted that;

- ⇒ *"Progress notes were not reflective of the outcomes identified on the ISPs."*
- ⇒ *"Progress notes did not support the type of service that was invoiced. Home and Community Habilitation was invoiced while service description(s) within progress notes could only support companion services."*

As stated in the response to finding #1, from an internal review of the service documentation, MC found that all notes were in alignment with the Home and Community Habilitation service description and were also reflective of the outcomes identified on the individuals' ISPs. MC will however re-train all staff by June 30, 2013 to ensure that they will provide an increased level of relevant and adequate detail within the progress notes.

MC will take the following corrective actions regarding deficiencies that were indicated within the report (the BFO's noted deficiencies are stated first followed by MC's response);

- ⇒ *"The caregiver training handbook was obsolete. The majority of training referenced autism services."*
 - As of March 2013, the training handbook has been updated to align more with the services that are currently provided. Also, as of April 2013 MC completed an updated and more comprehensive policies and procedures manual.
- ⇒ *"Caregiver timesheets did not agree with the number of units invoiced in PROMISE and/or the service time/units used to calculate the caregivers' pay. In several instances, two caregivers' time was combined on a single timesheet."*
 - This finding was a continued issue with one of MC's former employees. In spite of ongoing training with this particular employee, they were never able to grasp what was required and expected of them in regards to documenting the services delivered. As a result, MC no longer employs this individual and has not worked with this individual for almost a year.
- ⇒ *"At times, progress notes were prepared by someone other than the caregiver who provided the direct service. At other times, the progress notes did not indicate that any therapeutic activity was provided."*
 - There were a few isolated incidents where someone other than the caregiver provided the direct service prepared a progress note; since then and on-going, staff is made aware that this is not acceptable. Again, progress notes are reflective of the outcomes noted on the individuals' ISPs and aligns with Home and Community Habilitation services.
- ⇒ *"Payroll records were incomplete because caregivers were compensated with non-payroll checks and cash."*
 - This was during the beginnings of the MC organization and at a time when MC was working with only one individual in need of services. It was also during this time of organizational development when fiscal and overall programmatic practices/structures were still being put in place. Since that time MC has made significant strides in program growth and development. This is NOT currently a practice at MC. All staff is currently being paid with payroll checks only; this is reflected within MC's payroll records.