



November 21, 2013

Mr. Thomas D. Galvin, President
Associates Homecare, Inc.
800 Clarmont Ave, Suite B
Bensalem, Pennsylvania 19020

Dear Mr. Galvin:

I am enclosing the final report of Associates Homecare, 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 Barbara Miller in expediting the audit process.

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

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 style and is enclosed within a dashed rectangular border.

Tina L. Long, CPA
Director

Enclosure

c: Ms. Karen Deklinski
Ms. Rochelle Zaslow
Mr. Timothy O'Leary
Ms. Patricia McCool
Ms. Deborah Donahue
Ms. Anne Henry
Mr. Michael Hale
Ms. Sallee Rowe
Mr. Mike Luckovich

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael Sprow
Ms. Shelley L. Lawrence
SEFO Audit File (S1213)

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.



November 21, 2013

Mr. Brendan Harris, Executive Deputy Secretary
 Department of Public Welfare
 Health & Welfare Building, Room 334
 Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Harris:

In response to a request from the Department of Public Welfare's (DPW's), Office of Developmental Programs (ODP) and the Office of Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated an audit of Associates Homecare, Inc. (Associates). 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 October 1, 2010 to March 31, 2012 (Audit Period).

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

Associates Homecare, Inc.'s Executive Summary

Associates provides services through participation in the Home and Community-Based Services waiver programs, such as, Consolidated and Person/Family Directed Supports waivers for ODP and the Aging Waiver for OLTL.

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

FINDINGS	SUMMARY
<p><i>Finding No. 1 – PROMISe Reimbursement Claims Were not Adequately Documented.</i></p>	<p>Two separate statistically valid random samples (SVRSs) of PROMISe claims were tested for adequacy of supporting documentation. The result was that errors identified in the ODP SVRS totaled \$419.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should:</p> <ul style="list-style-type: none"> • Recover \$419 in PROMISe reimbursements due to lack of adequate documentation and double billing. <p>Associates should:</p> <ul style="list-style-type: none"> • Only claim reimbursement for services supported by adequate documentation for each claim submitted to PROMISe. 	

**Associates Homecare, Inc.
October 1, 2010 Through March 31, 2012**

FINDINGS	SUMMARY
<i>Finding No. 2 - ISP Authorizations do not Reflect Habilitation Services</i>	Associates care-givers are following the service scope and duration as described in the consumers' Individual Service Plans (ISPs); however, the services authorized in the ISPs better fit the definition of companionship services rather than habilitation services.
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should:</p> <ul style="list-style-type: none"> • Instruct the Delaware County Supports Coordination office to ensure that ISPs are written in a way that clearly defines the level of service authorized. <p>Associates should:</p> <ul style="list-style-type: none"> • Ensure that they are providing the level of service for which they are billing and being paid. 	

See Appendix A for the Background; Objective, Scope and Methodology; and Conclusion on the Objective.

Results of Fieldwork

Finding No. 1 – PROMISe Reimbursement Claims Were not Adequately Documented.

Two separate SVRS's of claims were selected from the total claims reimbursed through PROMISe during the Audit Period. Claim types included in the SVRSs were Home and Community Habilitation and Respite for ODP; and Personal Care In-Home and Light Housekeeping/Home Management for OLTL.

The BFO analyzed the underlying documentation to determine the validity of each sampled claim. The documentation included time sheets, progress notes, if any, and descriptions of the services provided. We also compared the number of units authorized in an ISP to the units billed, and verified that the number of units billed did not exceed the number authorized.

No exceptions were identified in OLTL claims. Two exceptions were noted in ODP claims: one for a missing progress note and one for a double billing related to staff training. These errors totaled \$419. Because the error rate was so low, the BFO did not extrapolate the sample results over the population of claims. As such, the total of the ODP disallowance is \$419.

Recommendations:

The BFO recommends that ODP recover \$419 from Associates due to unsupported and double billed claims.

**Associates Homecare, Inc.
October 1, 2010 Through March 31, 2012**

Recommendations – Continued:

The BFO also recommends that Associates only bill PROMISe for services rendered and documented by employee time sheets and progress notes.

Finding No. 2 – ISP Authorizations do not Reflect Habilitation Services.

Associates is required to provide, and is paid for, habilitation services for its ODP consumers. However, the ISPs are written in such a way as to reflect companion services rather than habilitation. Associates provided services to ODP consumers through the Delaware County Supports Coordination office. While Associates is following the service scope and duration as stated in the ISPs, the authorized services better fit the definition of companion services rather than habilitation services. For example:

ISP Service Description	Associated Progress Note
<p>Consumer “A”:</p> <ul style="list-style-type: none"> • “In order to continue to maintain his daily life and normal routine while increasing his skills, consumer would like to work on the following: 1) receiving the necessary assistance with his various ADLs (<i>Activities of Daily Living</i>); 2) successful completion of bed baths as needed; 3) assistance with getting ready for his day program each morning; 4) ensuring consumers health care needs are addressed as needed; 5) maintaining consumers every day routine as best as possible.” <p>Consumer “B”</p> <ul style="list-style-type: none"> • “In order to develop residential and safe community skills, <i>consumer</i> would like to: 1)work on ... arm strength and personal hygiene skills – maintain a neat, clean appearance: 2) improve ...community awareness and safety skills; 3) receive help with learning self-control and following directions.” 	<p>Consumer “A”:</p> <ul style="list-style-type: none"> • “...cleaned bedroom and bathroom, prepared food for lunch and watched movies...and played video games. “<i>consumer</i> had a good day” • “helped with shower and prepared lunch” <p>Consumer “B”</p> <ul style="list-style-type: none"> • “gave ... a bath, dressed, ... and did hair. Gave ... breakfast. We watched TV for hours. We did leg exercise for swollen ankles. I gave ... lunch and watched movies, gave ... dinner. We watched more TV and I left.”

By adhering to the service delivery descriptions within consumers’ ISPs, Associates is providing a lower level of care than what was authorized and paid. If Associates bills PROMISe for habilitation services, Associates must ensure that their staff is providing habilitation services.

Associates Homecare, Inc.
October 1, 2010 Through March 31, 2012

Recommendations:

The BFO recommends that ODP instruct the Delaware County Supports Coordination office to ensure that ISPs are written in a way that clearly defines the level of service needed and authorized.

The BFO also recommends that Associates ensure that they are providing the level of service identified in the ISPs and for which they are billing and being paid.

Exit Conference

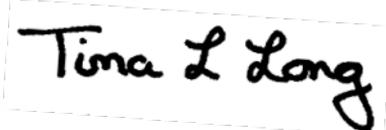
An exit conference was held on November 6, 2013, where the response to the draft report was discussed. It was agreed that if Associates implemented their corrective action plan to address the deficiencies in habitation service delivery and documentation (progress notes related to ODP claims) the recommended recovery would be the value of the two claims in error. As a result, the recommended recovery from ODP is \$419. Associates response, including the corrective action plan, is included as an attachment.

In accordance with our established procedures, an audit response matrix will be provided to ODP and OLTL. Once received, the program offices should independently 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 the program offices' concurrence or non-concurrence, the corrective action to be taken, the staff from the program offices 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". The signature is enclosed in a dashed rectangular border.

Tina L. Long, CPA
Director

c: Ms. Rochelle Zaslow
Mr. Timothy O'Leary
Ms. Patricia McCool
Ms. Deborah Donahue
Ms. Anne Henry
Mr. Michael Hale
Ms. Sallee Rowe
Mr. Mike Luckovich

bc: Mr. Alexander Matolyak
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ASSOCIATES HOMECARE, INC.

APPENDIX A

APPENDIX A

Background

Associates is a for profit corporation located in Bensalem, PA. They provide services to clients who are approved by ODP and OLTL. Associates works with developmental disability organizations in Philadelphia and Delaware Counties, providing in-home services to consumers with intellectual disabilities as well as elderly consumers.

Associates assists consumers to acquire and maintain the highest possible level of independent living considering each consumer's particular circumstances by providing Habilitation, Respite, Personal Care and Light Housekeeping services. These services are performed in consumers' homes and community settings by Associates' employees.

ODP and OLTL fund the waiver eligible services through the PROMISe reimbursement process.

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP and OLTL was:

- To determine if Associates has adequate documentation to substantiate its paid claims through PROMISe for services delivered.

The criteria used to ascertain the adequacy of supporting documentation was 55 Pa. Code Section 1101, 55 Pa. Code Chapters 51 and 52, ODP Bulletin #00-07-10 dated April 26, 2007 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed ODP and OLTL personnel and Associates' management. We also analyzed books, payroll records, care-giver time sheets, progress notes, bills, receipts, 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.

Generally Accepted Government Auditing Standards (GAGAS) 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, there were no material deficiencies in billing procedures. Areas where we noted an opportunity for improvement in management controls are addressed in the findings of this report.

We conducted this performance audit in accordance with 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 May 29, 2013 to June 19, 2013 and was performed in accordance with GAGAS. This report will be available for public inspection.

Conclusion on the Objective

Associates met the documentation requirements for reimbursement for PROMISE claims paid from October 1, 2010 to March 31, 2012, with the exception of the two deficiencies noted in Finding No. 1.

**ASSOCIATES HOMECARE, INC.
RESPONSE TO THE DRAFT REPORT**

APPENDIX B



Personal Care Services • Private Duty

800 Clarmont Avenue, Suite B
Bensalem, PA 19020-5705

Toll Free (866) 339-4662

www.associateshomecare.com

November 8, 2013

Mr. Daniel Higgins CFE, CGFM
Manager, Southeast Field Office
Bureau of Financial Operations
Department of Public Welfare
801 Market Street, Suite 5040
Philadelphia, PA 19107-3126

RE: Associates HomeCare Audit
Exit Conference 11/6/2013
Plan of Correction

Dear Mr. Higgins:

In follow up to our exit conference today, I have included a copy of our Plan of Correction related to the findings from your audit of Associates HomeCare, Inc which began on May 29, 2013.

Specifically, this relates to the audit finding number 2 "ISP authorizations do not reflect Habilitation Services".

The POC details our activity related to staff training, attendance at ISP meetings, clarifying the service needs of clients referred from Delaware County and ensuring that progress notes are properly reviewed and maintained.

As we discussed, Associates HomeCare, Inc implemented this POC immediately following your audit.

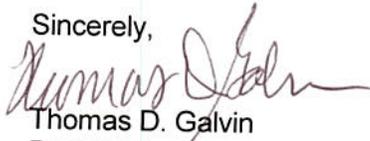
You also expressed that the disallowance for ODP claims was to be modified.

This modification will now require Associates HomeCare to repay \$163.00 for one claim related to staff training plus \$383.00 for the three visits for which there was inadequate documentation in the clients chart.

This results in a total repayment due of \$556.00. Please advise as to the process for us to follow properly submit this refund.

Thank you taking the time to conduct this audit and exit conference.

Sincerely,



Thomas D. Galvin
President

Corrective Action Plan

Finding / Observation	Associates HomeCare, Inc Corrective Action	Responsible Person	Target Date of Completion
Finding No. 1 – PROMISE Reimbursement Claims Were not Adequately Documented	We use the PATTI system (telephonic) which documents the visit times from clock-in on consumer's telephone. Also a written progress note is completed at each visit with consumer/family initials and signature. We track the incoming note as it is filed in consumer's chart.	Scheduling Coordinator	Ongoing
	Field Staff trained in PATTI system and accuracy of progress note. Staff instructed that payroll is not processed until progress note is received in office.	Scheduling Coordinator / Program Director	Orientation and Ongoing
Finding No. 2 – ISP Authorizations do not Reflect Habilitation Services	Attendance at every ISP meeting	Program Director	Ongoing
	Clear discussion of HABILITATION definition and assurance that ISP reflects HAB services	Program Director / County SC	11/01/13
	Staff training on documentation reflective of Habilitation service provided	Program Director	11/01/13
	Documentation Audit Tool developed and applied to each progress note and logged before filing on chart	Scheduling Coordinator / Program Director	11/01/13