Department of Developmental Disabilities

Division of Medicaid Development & Administration

John R. Kasich, Governor
John L. Martin, Director

To: Medicaid HCBS Waiver Providers
From: Debbie Hoffine, MDA Operations Administrator
Date: August 13, 2013
Subject: Audits of claims paid

This memo provides information pertaining to audits of providers of Medicaid Home and Community Based Services (HCBS) waiver services. These audits establish whether claims should have been paid. Service documentation to support claims paid is a critical component of these audits performed by the Division of Fiscal Administration/Audit Office at DODD. Your documentation must show what service was delivered and for how long.

If you have not properly documented the services you provided, you may be required to pay us back the amount of the claim plus accrued interest. Failure to keep proper service documentation or respond promptly to a request for service documentation could also result in termination of your provider certification. Per your Medicaid Provider Agreement, you must submit any requested service documentation within thirty (30) days of the request.

You are required to maintain all service documentation to support Medicaid reimbursement. Chapter 5123:2-9 of the Ohio Administrative Code lists the specific service documentation requirements for each HCBS waiver service. As a Medicaid HCBS waiver provider, it is your responsibility to familiarize yourself with the service documentation requirements for the service(s) that you deliver and to be fully compliant with those requirements. The rules are readily available to all providers at the *Rules in Effect* page of DODD's website (https://doddportal.dodd.ohio.gov/rules/ineffect/Pages/default.aspx). The rules are also available on DODD's mobile app (http://dodd.ohio.gov/Pages/Mobile.aspx). Please also review the memo we sent you on June 11, 2013.

It is very important that you prepare your service documentation yourself either at the time or shortly after you deliver the service. You should not be preparing documentation when asked for it by an auditor or other reviewer. Write down the time you begin delivering the services, make any appropriate notes of activities performed, and then close out by writing down the time you stopped delivering services. If you have more than one start time and end time on the same day, these should be documented separately. If multiple staff are delivering services, these items should be clearly identified for each staff member.

Documentation Maintenance:

Service documentation must be maintained for *six years* from the date you were paid or until any audit initiated during that six year period has been resolved, whichever is longer. This means that if an audit has been started before the end of the six year period after the date a claim was paid, you must keep all of your service documentation for that time period being reviewed - until all issues identified have been addressed and the audit has been closed. Remember that DODD, the Ohio Department of Medicaid, the Ohio Auditor of State, and the Federal government all have the authority to audit your paid claims. Therefore, even if DODD has audited you and closed its audit before the end of the six year period, you should still keep your service documentation for the full six years because any of the other agencies could decide to audit you before the six years are up. If an audit has not been initiated before the end of the six year period after the date a claim was paid or all audits that were begun during that period have been closed, then you may destroy the documentation that supports the claim. Please be careful to destroy the records in a secure manner (shredding, for example), as the documentation contains personal health information which is protected under the Health Insurance Portability and Accountability Act (HIPAA).

Risk factors included in DODD's selection process for these audits:

For the first time this past year, DODD used a risk-based approach for selecting providers for audit for state fiscal years 2010 and 2011 (July 1, 2009 through June 30, 2011). Below is a sample of some of the criteria we used to select our audits.

- Providers who generated billings per individual much higher than average;
- Providers who were among the highest paid in their respective peer group (i.e. independent providers, private agencies, public agencies);
- Independent providers who consistently billed for more than ninety (90) hours per week of awake services;
- Providers who had a significant number of adjustments to their claims; or
- Providers who had a significant number of claims being billed but rejected for exceeding authorized unit or dollar maximums.

<u>Primary issues noted for Homemaker Personal Care Providers in these audits</u>:

<u>15 minute unit billing</u>: Some providers have been unable to provide *any* service documentation, or what they did provide was not compliant with rules. The primary missing element and the most problematic is the lack of arrival and departure times.[1] This element is a key component to proper reimbursement as it verifies that the number of units paid equals the number of units delivered. The number of units (of service delivered) is also a critical companion element for proper documentation. Without these two elements, documentation is not compliant with the waiver requirements. Such claims paid are then subject to repayment plus any accrued interest.

<u>Daily Billing Unit:</u> Providers using the daily billing unit for Homemaker/Personal Care services should be using the Daily Rate Application (DRA) as part of the Medicaid Services System (MSS) to determine the appropriate rate to bill for services delivered. Proper documentation must be maintained to support the number of hours entered in DRA. This documentation must include time sheets to show the number of hours worked by each staff each day. If this documentation is not maintained, the entire amount paid, plus any accrued interest, is subject to repayment by the provider in the case of an audit finding.

If the documentation exists, but does not equal the hours entered into the DRA, a revised rate may be recalculated based on the hours of service delivery that the

[1] As of April 19, 2012, providers of Homemaker/Personal Care who bill in 15-minute units must document the begin and end times of the delivered service rather than arrival and departure times.

documentation reflects. In this case, the provider would be required to repay any amount, plus any accrued interest, that is in excess of the correctly calculated amount.

DODD will continue to review provider service documentation as part of its greater commitment to properly administer Medicaid HCBS waivers. Ohio relies heavily on the Federal funding that supports these waivers in order to serve the citizens of our state with developmental disabilities. We must all be diligent in our compliance responsibilities and must make a concerted effort to hold ourselves accountable. Please take this opportunity to review your own service documentation and ensure that it is in full compliance with the associated rule requirements.

Thank you.