



**pennsylvania**  
DEPARTMENT OF HUMAN SERVICES  
BUREAU OF FINANCIAL OPERATIONS

April 23, 2018

Ms. Shannon Davis, Owner  
Personal Choice Quality Care Registry

[REDACTED]  
Duquesne, Pennsylvania 15110

Dear Ms. Davis:

I am enclosing for your review the final performance audit report of Personal Choice Quality Care Registry (PCQCR), as prepared by the Division of Audit and Review (DAR). Your response has been incorporated into the final report and labeled as an Appendix. The report covers the period July 1, 2014 through June 30, 2016.

I would like to extend my appreciation for the courtesy and cooperation extended to my staff during the course of the fieldwork.

The final audit report will be forwarded to the Department's Office of Long Term Living (OLTL) to begin the Department's resolution process concerning the report's contents. The staff from the OLTL will be in contact with you to follow up on the corrective actions taken to comply with the report's recommendations.

If you have any questions concerning this matter, please contact David Bryan, Manager of the Audit Resolution Section, at [REDACTED]

Sincerely,

Tina L. Long, CPA  
Director

Enclosure

c: Ms. Carolyn Ellison  
Mr. Kevin Hancock  
Mr. Michael Hale  
Ms. Peggy Morningstar  
Ms. Kim Barge



**pennsylvania**  
DEPARTMENT OF HUMAN SERVICES  
BUREAU OF FINANCIAL OPERATIONS

April 23, 2018

Ms. Leesa Allen, Executive Deputy Secretary  
Department of Human Services  
Health & Welfare Building, Room 334  
Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Allen:

The Bureau of Financial Operations (BFO) conducted a performance audit of Personal Choice Quality Care Registry (PCQCR). The audit was designed to determine the sufficiency of documentation to support payments from the Provider Reimbursement and Operations Management Information System (PROMISe) for client care. Our audit covered the period from July 1, 2014 to June 30, 2016 (Audit Period).

This report is currently in final form and therefore contains PCQCR's views on the findings, conclusions and recommendations. PCQCR's response to the draft audit report is included as Appendix D.

**Summary of Conditions and Questioned Costs**

<b>Description of Condition</b>	<b>Location of Details</b>	<b>Questioned Costs</b>
1 - PCQCR Did Not Have Adequate Documentation to Support Certain Paid Claims	Appendix A, Finding No. 1	\$465,301
2 - Internal Control Weaknesses	Appendix A, Finding No. 2	\$0
<b>Total</b>		<b>\$465,301</b>

**See Appendix A for the Details of the Audit Findings.**

**See Appendix B for the Background, Objective/Scope/Methodology, and Conclusion on the Objective.**

**See Appendix C for the Analysis of Questioned Costs.**

**See Appendix D for PCQCR's Response to the Draft Report.**

Personal Choice Quality Care Registry  
July 1, 2014 through June 30, 2016

**Exit Conference/Auditor's Commentary**

An Exit Conference was held with PCQCR's management on March 22, 2018 to discuss the results of the audit and PCQCR's response to the draft report. PCQCR's management requested the opportunity to submit a revised audit response, which the BFO received on April 9, 2018.

In its revised response to Finding No. 1, PCQCR states, "PCQCR has rendered scheduled services for the consumers and paid staff." PCQCR further states, "We have cancelled checks and payroll to aid in proving the services were rendered of which was not considered." Although payroll records can be used to confirm that an employee was paid, payroll records alone are not sufficient verification of the types of services and to whom the services were provided. Additionally, 30 of the 70 claims that the BFO tested did not have any timesheets to trace to the payroll records. After considering PCQCR's response, the BFO did not make any changes to the audit report.

In accordance with our established procedures, an audit response matrix will be provided to the Office of Long-Term Living (OLTL). Once it is received, OLTL should complete the matrix within 60 days and email the Excel file to the DHS Audit Resolution Section at:



The response to each recommendation should indicate OLTL's concurrence or non-concurrence, the corrective action to be taken, the staff 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".

Tina L. Long, CPA  
Director

**Personal Choice Quality Care Registry  
APPENDIX A**

## Appendix A – Details of the Audit Findings

Personal Choice Quality Care Registry

July 1, 2014 through June 30, 2016

### **Finding No. 1 – PCQCR Did Not Have Adequate Documentation to Support Certain Paid Claims**

#### **Condition** (“What was found?”)

PCQCR was paid \$727,185 for 166,252 units of Personal Assistance Services (PAS) that were billed through PROMISE.

The BFO tested a Statistically Valid Random Sample (SVRS) of 70 paid claims which represented 6,504 units of service. PCQCR lacked adequate documentation to support 4,046 units. Errors consisted of:

- Missing consumer and/or employee signatures;
- Inadequate detail to determine the time worked and/or the scope of the services provided; and
- Insufficient timesheets on file to support the units that were billed.

PCQCR was paid an additional \$24,843 for 8 claims representing 5,672 units which were identified as outliers and tested separately from the sample. PCQCR lacked adequate documentation to support 4,562 units. Errors were consistent with those from the sample noted above.

#### **Criteria** (“What should it be?”)

Providers must maintain records that adequately support the units that they submit for reimbursement as specified in the following Code sections:

55 PA Code, Chapter 52,  
§ 52.14 (g)(2) Ongoing Responsibilities of Providers  
§ 52.15 (a)(2) Provider records  
§ 52.42 (d) Payment Policies

55 PA Code, Chapter 1101,  
§ 1101.11 General Provisions  
§ 1101.51 Ongoing Responsibilities of Providers

#### **Effect** (“What is the impact?”)

Extrapolated questioned costs total \$445,319 with a variance of +/- \$68,146.

Questioned costs of the outliers were \$19,982. The outliers were not statistically sampled and therefore the amount was not extrapolated.

#### **Cause** (“Why did it happen?”)

PCQCR did not have adequate policies and procedures in place to ensure that PAS billings through PROMISE represented actual units of service provided to the consumers.

#### **Recommendations** (“What needs to be done to correct it?”)

- PCQCR should only bill PROMISE for authorized units of service that were provided and are supported by adequate documentation.
- OLTL should recover \$465,301 in questioned costs from PCQCR.

## Appendix A – Details of the Audit Findings

Personal Choice Quality Care Registry

July 1, 2014 through June 30, 2016

### **Finding No. 2 – Internal Control Weaknesses**

#### **Condition** (“What was found?”)

The BFO identified the following internal control weaknesses:

- PCQCR did not have a consistent method to ensure timesheets were filed. For example:
  - Paper timesheets were stored at various locations.
  - Faxes were sent to the PCQCR’s e-mail address, which were never printed and filed.
  - Some employees sent the PCQCR a picture of their timesheets through multi-media text messages, which were never printed and filed. These timesheets were stored on multiple cell phones.
- PCQCR allowed employees to send them text messages with how many hours they worked so PCQCR could bill PROMISE prior to receiving the physical timesheet.

Please note that during the entrance conference, PCQCR staff informed the BFO that they have recently switched to a telephony timekeeping system which, if well designed and working properly, should mitigate the problems that they have had with paper timesheets. The BFO did not test the capabilities of the new system and therefore cannot give any assurance as to its adequacy.

#### **Criteria** (“What should it be?”)

Effective internal controls should include procedures that are in writing, are used consistently, and are adequate/functional.

#### **Effect** (“What is the impact?”)

The lack of consistent filing procedures may have contributed to the number of timesheets that PCQCR was unable to locate.

Additionally, by billing PROMISE prior to receiving timesheets that are signed by the consumer, PCQCR increases the risk of inaccurately billing for units of service.

#### **Cause** (“Why did it happen?”)

PCQCR lacked adequate written policies and procedures over timekeeping and billing functions.

#### **Recommendations** (“What needs to be done to correct it?”)

- PCQCR should develop and implement written policies and procedures to ensure that employee time is adequately documented prior to billing PROMISE, and that the time documentation is maintained consistently.
- OLTL should continue to monitor PCQCR to ensure that the internal control procedures are implemented and are effective.

**Personal Choice Quality Care Registry**  
**APPENDIX B**

## Appendix B – Background, Objective/Scope/Methodology, and Conclusion on the Objective

Personal Choice Quality Care Registry

July 1, 2014 through June 30, 2016

### **Background**

PCQCR is a for-profit home health care provider located in Duquesne, Pennsylvania. PCQCR provides Personal Assistance Services, which are funded through various federal waiver programs.

### **Objective, Scope and Methodology**

Our audit objective is shown in the Conclusion on the Objective section below. In pursuing our objective, we analyzed available documentation for the audit period, including employee timesheets, client service authorization forms, and other documentation as appropriate.

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 appropriate 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.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objective described below. The applicable controls were examined to the extent necessary to provide reasonable assurance of their effectiveness.

Based on our understanding of the controls, there were deficiencies in maintaining sufficient documentation for the services that were billed. Areas where the BFO noted an opportunity for improvement in management controls are addressed in the findings and recommendations in this report.

The BFO's fieldwork was conducted from November 15, 2017 to December 7, 2017. An audit Closing Conference was held on December 7, 2017. An Exit Conference was held with PCQCR's management on March 22, 2018. This report is available for public inspection.

### **Conclusion on the Objective**

Objective Number	Audit Objective	Conclusion on the Objective
1	To determine the validity of PROMISe billings for personal assistance services made by Personal Choice Quality Care Registry during the period July 1, 2014 through June 30, 2016.	PCQCR frequently had inadequate documentation to support claims paid through the PROMISe system for the audit period. This resulted in questioned costs of \$465,301.



**Personal Choice Quality Care Registry**  
**APPENDIX C**

**Appendix C – Analysis of Questioned Costs**

Personal Choice Quality Care Registry

July 1, 2014 through June 30, 2016

Personal Choice Quality Care Registry					
Audit Period:	July 1, 2014 through June 30, 2016				
Procedure Code/Client	Sample Value	Sample Value Questioned	Universe of Paid Claims	Extrapolated/Total Questioned Costs	Variance (+/-)
W1793	\$28,482	\$17,637	\$727,185	\$445,319	\$68,146
W1793 Outliers	\$24,843	\$19,982	<u>\$ 24,843</u>	<u>\$ 19,982</u>	<u>\$ 0</u>
		<b>Total:</b>	<u><u>\$725,028</u></u>	<u><u>\$465,301</u></u>	<u><u>\$68,146</u></u>

**Personal Choice Quality Care Registry  
APPENDIX D**

March 12, 2018

Mr. Justin Mankey, Audit Manager  
Department of Human Services  
Bureau of Financial Operations  
Division of Audit and Review  
1<sup>st</sup> Floor Forum Place  
555 Walnut Street  
Harrisburg, PA 17101

Dear Mr. Mankey:

I, Shannon Davis, Owner of Personal Choice Quality Care Registry (PCQCR) am in receipt of The Department of Human Services letter dated February 6, 2018.

I am respecting a exit conference:

PCQCR was audited on November 15, 2017 by Justin Mankey, Audit Manager of Department of Human Services of Pennsylvania. The company was found to have some internal control weakness involving how timesheets are recorded, filed, and used on multi- media text messages, which we since corrected. PCQCR, admit to those weaknesses.

However, PCQCR has rendered scheduled services for the consumers and paid staff. That means we basically worked for free for past 2years for the amount requested. Therefore, I don't totally agree with the audit decision on the amount owed.

We have cancelled checks and payroll to aid in proving the services were rendered of which was not considered. We have a good reputation for covering and very little missed service for consumers. Certainly, we did not bill for consumers we know we did not provide care for.

Ultimately, we are judged on an amount in case we may make same error in the future.

PCQCR was audited by [REDACTED] from Qmet on September 15, 2015. During that initial audit, I was informed I was not properly providing the required time sheets. I advised QMET that we were not made aware of filling out the proper timesheets and its scope as required.

Therefore, it was the initial audit that informed us of the quality management and their expectations. Once we were instructed we immediately created timesheets with a checklist included. We have edited our timesheets several times since the initial request to meet the requirements. It took time and effort to continually improve the weaknesses.

Effective October 30, 2017, we have been using Telephony system and plan to continue to use their system. If there are any missed clocks or technical difficulties, our agency has implemented a telephony back up timesheet, which includes a checklist and the reason for the missed clocks and/or technical difficulties.

In addition, we have also created a template to file the backup timesheets under the attendant's name on the One Drive software. This software matches the attendant with consumer they took care of. Also, the One Drive locates any timesheets requested for easier accessibility and accuracy.

I would like to also point out that I have been contracted with Office of Long Term Living OLTL for 4years. During those 4 years, we were not informed of deficiencies. Also, we were not advised of any training or conferences in regard to the business; no rules or regulations were provided. There were many times we did not receive Service Authorization forms for (emergency) referrals.

I obtained information on line from various sites and communicating with the Service Coordination Unlimited agency of which provided us with consumer referrals.

However, other than working as a registry as a Private duty agency, the Office Long Term Living (OLTL) is the only company this agency has ever contracted with. The majority of my referrals came from Service Coordination Unlimited and a few other companies. We worked closely with the coordinators to fulfill duties and assignments on an urgent basis throughout the communities. Of which, have caused loss focus on supported documentation. Fulfilling the needs and paying the employees is a priority. However, we are now aware of providing proof before billing was our lack of responsibility.

PCQCR will continue to strive to improve Quality Management. This will be a great loss because of the passion of caring for persons throughout the community. Although, we lacked supported documentations; we did not lack the care for our consumers. Hopefully, we can come to a reasonable agreement or arrangement.

As of October 31, 2017, PCQCR started with a new Home Care system called *Clear Care*.

This system allows the caregiver to:

- Clock in and out.
- Help to eliminate human error and paper timesheets.
- Assure family members that the caregivers are on site and on time.
- Increase caregiver accountability and reliability.
- The systems help PCQCR proactively troubleshoot problems as they arrive.
- The system alerts PCQCR when an employee is late or a no show on site.
- Payment policies are now in place and has been since November 1, 2017.

PCQCR is a company that takes pride in caring for others. Customers are our number one priority.

Respectfully,

Shannon Davis  
CEO  
Personal Choice Quality Care Registry