

PERFORMANCE AUDIT REPORT

Masonic Villages of Pennsylvania

Costs reimbursed by the
Pennsylvania Department of Human
Services

March 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DePASQUALE
AUDITOR GENERAL

March 30, 2020

William L. Kingsbury, Esq.
Chief Executive Officer
Masonic Villages
One Masonic Drive
Elizabethtown, PA 17022

Dear Mr. Kingsbury:

This report contains the results of the Department of the Auditor General's performance audit of Masonic Villages of Pennsylvania (Masonic Villages) with regard to costs that were reimbursed by the Pennsylvania Department of Human Services (DHS). This audit was conducted under the authority of Sections 402 and 403 of The Fiscal Code (Code), 72 P.S. §§ 402 and 403, and in accordance with the 2018-2019 Budget Implementation provision of Article XVII-H, Subarticle B, Section 1715-H of the Code, 72 P.S. § 1715-H. The audit was not conducted, nor required to be conducted, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The performance audit covered the period July 1, 2017 through June 30, 2018, with updates through the report date. Our audit objective was to determine whether medical services for which the costs were reimbursed by DHS were rendered. We limited our test work to reimbursements received from DHS for services rendered at Masonic Village at Elizabethtown. We planned and performed audit procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that the evidence obtained provides a reasonable basis to support our results, finding, and conclusions.

We selected and reviewed 40 claims for long-term care services and three purchases for exceptional durable medical equipment that were reimbursed by DHS and found that documentation maintained by Masonic Villages supported that services were rendered in accordance with applicable laws and policies. However the report presents *one finding* and offers *three recommendations* for Masonic Villages to strengthen its management controls over its process for submitting claims to DHS for reimbursement of exceptional durable medical equipment purchases for MA-enrolled residents.

William L. Kingsbury, Esq.

March 30, 2020

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In closing, I want to thank Masonic Villages for its cooperation and assistance during this audit. Masonic Villages is in agreement with our finding and our recommendations, and its response is included in this audit report. We may follow up at an appropriate time to determine to what extent all recommendations have been implemented.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Eugene A. DePasquale
Auditor General

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Background

For more than 145 years, the Masonic Villages of Pennsylvania (Masonic Villages) has been providing residential and nursing care services to seniors without regard to the ability to pay privately for such services. Masonic Villages began with a single site in Elizabethtown, Lancaster County, and has grown to five communities within the commonwealth.

The **Elizabethtown location** of the Masonic Villages was founded in 1910 as the Masonic Homes of Elizabethtown and now operates as the Masonic Village at Elizabethtown.¹ More than 2,035 individuals live on the 1,400-acre campus, which includes a health center, various types of residences, several restaurants, and a children's home.² Its staff provides a wide array of services for the residents, including personal and nursing care, adult day services, at-home care, hospice, outreach and support programs, rehabilitation services, and memory support services.

The **four** other Masonic Villages communities, described below, serve a combined total of more than 950 residents:³

- Masonic Village at Lafayette Hill in Montgomery County originated as the Masonic Home of Pennsylvania in 1871 and joined the Masonic Villages in 2004.
- Masonic Village at Warminster in Bucks County was founded in 1929 by the Grand Chapter of the Pennsylvania Order of the Eastern Star and joined the Masonic Villages in 1998.
- Masonic Village at Sewickley in Allegheny County, formerly the Valley Care Nursing Home, was established in 1984 and joined the Masonic Villages in 1999.
- Masonic Village at Dallas in Luzerne County was founded in 2005 on the grounds of the Irem Country Club and Golf Course.

The **five Masonic Villages** are governed by a 13 member board of directors and led by a team of 9 corporate officers, none of which are directors.⁴ Each Masonic Villages' community has an executive director who is responsible for the day-to-day management of the campus. The board has adopted a Mission of Love, as follows:

¹ <<https://masonicvillages.org/about/history/>> (accessed February 13, 2020). Please note that continuing care retirement communities, also known as CCRCs or life plan communities, are a long-term care option for seniors who want to stay in the same place through different phases of the aging process. The chief benefit of CCRCs is that they provide a wide range of care, services and activities in one place, offering residents a sense of stability and familiarity as their abilities or health conditions change. www.aarp.org (accessed February 12, 2020).

² Ibid. regarding Masonic Homes/Masonic Village history.

³ Ibid.

⁴ <<https://masonicvillages.org/about/leadership/>> (accessed February 13, 2020).

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“Our caring communities and services assist individuals, families and children in realizing their potential and enjoying the highest possible quality of life through the traditions of Freemasonry.”⁵

As explained in the *Audit Procedures and Results* section of this report, our audit focused on Medical Assistance (MA) reimbursements for long-term care (LTC) services provided at the Masonic Village at Elizabethtown facility.

Long-Term Care Services

Masonic Village at Elizabethtown provides LTC nursing facility services to residents needing moderate to full assistance with daily living at the Masonic Health Care Center on the campus. Residents receive around-the-clock nursing care with physician oversight, housekeeping for their furnished suites, all meals, as well as on-campus transportation.

Medical Assistance (MA) is a source for people who need assistance to pay for LTC at a nursing facility. A person must be financially and medically eligible to qualify for MA. Financial eligibility is determined by the Pennsylvania Department of Human Services’ (DHS) County Assistance Offices (CAO). Medical eligibility is determined through the county Area Agency on Aging’s (AAA) review of a medical evaluation completed by the individual’s doctor. The AAA reports its results and decision to the CAO. Upon meeting both criteria for eligibility, MA will provide for nursing facility services referred to as “room and board” and for exceptional durable medical equipment, as defined by DHS, for those who have a medically-determined need.⁶

The MA LTC rate of reimbursement to LTC facilities includes the cost for routine services including, but not limited to, the following:

- Regular room, dietary services, social services.
- General LTC services to meet daily living and health needs.
- Hair care services.
- Laundry services.
- Non-emergency medical transportation services.

⁵ <<https://masonicvillages.org/about/>> (accessed February 13, 2020) and <<https://www.freemason.com/>> (accessed January 27, 2020). “Freemasonry is an individual journey towards becoming a better father, husband, friend, citizen and man, supported by other men at different points on the same journey. As a fraternal organization, Freemasonry unites men of good character who, though of different religious, ethnic or social backgrounds, share a belief in the fatherhood of God and the brotherhood of mankind.”

⁶ See 55 Pa. Code § 1187.2. This section of the Pennsylvania Code generally defines “DME--Durable medical equipment” as follows, in part: “(i) Movable property that: (A) Can withstand repeated use. (B) Is primarily and customarily used to serve a medical purpose. (C) Generally is not useful to an individual in the absence of illness or injury. (ii) Any item of DME is an item of movable property....”

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- Location and accessibility assistance for medical services which the facility does not provide, such as dental care.
- Personal care items including a patient gown, shampoo, skin lotion, comb, brush, toothpaste, and toothbrush.⁷

MA coverage of nursing facility services is available only when provided at a nursing home licensed and certified by DHS as an MA-registered Nursing Facility. A participating facility must provide, or arrange for, nursing or related services and specialized rehabilitative services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident.⁸

Funding

Masonic Villages receives a portion of its MA LTC services funding through both the federal U.S. Department of Health and Human Services and DHS' Office of Long-Term Living. Masonic Villages submits claims to DHS on a fee-for-service basis through DHS' PROMISE™ system in accordance with federal and state regulations. For the fiscal year ended June 30, 2018, Masonic Villages received MA reimbursements totaling approximately \$25 million, of which \$19.1 million was for LTC services provided to MA-enrolled residents at its Elizabethtown campus.⁹

⁷ *Long-Term Care Handbook*, Chapter 438.3 Services included in the LTC Facility Medical Assistance (MA) Rate at www.services.dpw.state.pa.us (accessed July 31, 2019).

⁸ www.medicaid.gov (accessed February 11, 2020).

⁹ This \$19.1 million included MA reimbursements totaling approximately \$18.9 for LTC nursing facility services and \$244,000 for exceptional durable medical equipment purchased for MA-enrolled residents with a medically determined need.

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Audit Procedures and Results – Determine whether medical services for which the costs were reimbursed by the Department of Human Services were rendered.

Masonic Villages of Pennsylvania (Masonic Villages) is a registered Medical Assistance (MA) services provider with the Pennsylvania Department of Human Services (DHS). In order to perform our testing, we obtained a file from DHS' Office of Long-Term Living listing the individual reimbursement claims approved for Masonic Villages during the fiscal year ended June 30, 2018. The table below shows that Masonic Villages received over \$25 million of MA reimbursements for Long-Term Care (LTC) Nursing Facilities services and exceptional durable medical equipment (DME) purchased for MA-enrolled residents with a determined need.¹⁰

Masonic Villages LTC Services MA Reimbursements (For the Fiscal Year Ended June 30, 2018)		
	Amount	Percent of Total
Masonic Village at Elizabethtown:		
Nursing Facilities Services	\$18,871,708	75.3%
Exceptional Durable Medical Equipment	\$ 244,011	1.0%
Other Masonic Villages of Pennsylvania:^{a/}		
Nursing Facilities Services	\$ 5,922,361	23.7%
Total	\$25,038,080	100.0%

^{a/} Includes Masonic Villages at Lafayette Hill, Sewickley, and Warminster, PA. Masonic Village at Dallas, PA did not receive MA reimbursements for LTC services during the period.
Source: Produced by Department of the Auditor General staff from information provided by the Department of Human Services.

We limited our population to reimbursements received from DHS for services rendered at Masonic Village at Elizabethtown. It consisted of more than 6,100 claims totaling nearly \$18.9 million for LTC Nursing Facilities services and 205 claims totaling over \$244,000 for DME purchases.¹¹ Each DME claim in the file represented individual parts needed for a larger piece of equipment, such as a power wheelchair. We determined that 205 claims were associated with DME purchased for 16 MA-enrolled residents who each received equipment with a total cost between \$5,930 and \$21,830.

¹⁰ Nursing facilities services includes MA-enrolled residents' room and board. Exceptional durable medical equipment includes power wheelchairs with necessary accessories.

¹¹ To satisfy our audit requirements pursuant to the 2018-2019 Budget Implementation provision of the state Fiscal Code, 72 P.S. § 1715-H, we selected Masonic Villages and other MA providers from the DHS listing of active Medical Assistance providers. For Masonic Villages, we judgmentally selected to audit the Long-Term Care services provided for MA-enrolled residents of Masonic Village at Elizabethtown, which received more than \$19 million during the fiscal year ended June 30, 2018.

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In order to achieve the audit objective, we developed procedures based on our review of applicable laws and regulations, DHS and Masonic Village at Elizabethtown policies, inquiries of management, and evaluations of management controls. We judgmentally selected and tested 40 individual Masonic Village at Elizabethtown claims that DHS approved for reimbursements totaling \$187,854.¹² We also randomly selected three DME claims approved for reimbursements totaling \$2,105.¹³

Based on the results of our audit procedures, we found that each of the 43 claims tested was supported by the required service documentation indicating that the services were rendered. We did, however, identify a management control weakness that Masonic Village at Elizabethtown should strengthen to ensure compliance with state regulations regarding the timing of DME claims submissions. This weakness is addressed in the finding within this report.

¹² Using professional judgment, we selected 40 nursing facility long-term care service claims to maximize the number of individuals and service months tested.

¹³ DHS pre-authorizes each component of a DME purchase and then the providers enter each component into PROMISE™ as part of a claim. Our DHS data file includes each component as one claim record, and consequently, we tested the entire DME purchase related to the three claims selected. These DME purchases totaled \$5,931; \$6,307; and \$20,571, respectively.

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Finding – Masonic Village at Elizabethtown failed to comply with a state regulation when it prematurely submitted two medical assistance claims for reimbursement of exceptional durable medical equipment costs.

As part of our audit procedures, we obtained a data file from the Pennsylvania Department of Human Services (DHS) of long-term care (LTC) Medical Assistance (MA) claims approved for reimbursement during the fiscal year ended June 30, 2018 for the Masonic Villages of Pennsylvania (Masonic Villages). We analyzed the file to identify the MA claims submitted for services rendered at the Masonic Village at Elizabethtown campus. We found that Masonic Villages received nearly \$19 million in reimbursements for approximately 6,100 MA claims related to room and board costs of its MA-enrolled residents at its Elizabethtown nursing facility, and approximately \$244,000 for exceptional durable medical equipment (DME) purchased for 16 residents, represented by 205 claims in the file.

Our testing of 40 judgmentally-selected claims for room and board costs found that each was properly supported with the required documentation. We additionally randomly selected three DME claims and tested the entire DME purchase associated with the respective claim for that resident.

We found that while documentation supported the costs of the DME for all three purchases, one purchase for equipment totaling \$6,307 was prematurely submitted by Masonic Villages in noncompliance with a state regulation. Section 1187.153(a)(1) of the DHS' regulations requires that claims for DME be "submitted to [DHS] within 30 days from the date on which the nursing facility purchases or rents the DME."¹⁴ Additionally, DHS provided guidance to MA providers that further clarified that the DME supplier must be paid by the nursing facility within 30 days of the nursing facility receiving the reimbursement payment from DHS.¹⁵

Masonic Villages, however, paid the DME supplier 57 days after receiving the \$6,307 reimbursement payment from DHS, or 27 days later than what is allowed by the regulation. As a result, we requested additional information from Masonic Villages for the remaining 13 DME purchases included in the data file for its Elizabethtown facility. Our review found one additional purchase for equipment totaling \$12,778 that was also not in compliance with this same regulation. Masonic Villages paid the DME supplier 62 days after receiving the reimbursement payment from DHS, or 32 days later than what is allowed by the regulation.

Masonic Villages' written procedures to process DME claims include paying the DME supplier prior to submission of the claim to DHS. Management reinforced these procedures with its billing clerks through specific DME claims processing training and reminder emails. Despite these efforts, Masonic Villages' management agreed that a former billing clerk prematurely

¹⁴ See 55 Pa. Code § 1187.153(a)(1).

¹⁵ *Durable Medical Equipment (DME) Exceptional Payment Program Information Packet*, DHS Office of Long-Term Living (Revised June 4, 2014).

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submitted claims for both purchases without documentation of the payment to the DME supplier. Management also acknowledged that a supervisor's review and approval of the DME claims is not required before the billing clerks submit them to DHS. Management is responsible for the design and effective operation of internal control procedures to ensure compliance with applicable laws and regulations, and the lack of a process to review claims prior to submission to DHS allowed claims for two DME purchases to be prematurely submitted in noncompliance with a state regulation.

After discussing our results with management, we learned that Masonic Villages stopped processing new DME claims for its residents in December 2019.¹⁶ As an in-network provider for a managed care organization's (MCO) health plan participating in DHS' Community HealthChoices program, Masonic Villages was instructed to submit all requests for DME to the MCO.¹⁷ The MCO then obtains DHS authorization and has an in-network DME supplier directly submit the MA claim to DHS for reimbursement.

Recommendations

If Masonic Villages purchases DME for its residents and submits related claims to DHS in the future, we recommend that Masonic Villages:

1. Require DME claims prepared by Masonic Villages' billing clerks to be closely reviewed and approved prior to submission to DHS.
2. Update its written procedures and training instructions to incorporate the recommendation noted above.
3. Provide periodic DME claims processing training for its billing clerks as necessary to reinforce the proper procedures.

¹⁶ Memo from MCO to Nursing Facility Providers: *Nursing Facility Billing Guide*, September 2019.

¹⁷ Memo from MCO to Network Skilled Nursing Facilities: *Exceptional Durable Medical Equipment (DME) Billing*, October 16, 2018.

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Masonic Villages of Pennsylvania's Response and Auditor's Conclusions

We provided our draft audit procedures and results, and finding and related recommendations to Masonic Villages of Pennsylvania (Masonic Villages) for its review. On the pages that follow, we included Masonic Villages' response in its entirety. Following Masonic Villages' response is our auditor's conclusions.

A Performance Audit

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Audit Response from Masonic Villages of Pennsylvania



March 18, 2020

TRANSMITTED VIA EMAIL

Mr. Scott D. King, CPA
sking@paauditor.gov
Acting Director
Bureau of Performance Audits
302 Finance Building
Harrisburg, PA 17120 – 0018

Dear Mr. King,

Under your transmittal letter dated March 10, 2020, we received the draft performance audit report relating to costs reimbursed to us by the Pennsylvania Department of Human Services for the period beginning July 1, 2017 and ending June 30, 2018.

I enclose our written response for your consideration.

Please direct any questions or concerns to Pamela Formica, Chief Financial Officer.

Sincerely,



William L. Kingsbury
Chief Executive Officer

cc: Mr. Thomas Gamon, IV, Board Chairman, Masonic Villages of Pennsylvania
Ms. Pam Formica, Chief Financial Officer, Masonic Villages of Pennsylvania
Mr. William Canfield, Director, Bureau of Audits, Office of Comptroller Operations
Ms. Janet B. Ciccocioppo, CPA, Acting Deputy Auditor General for Audits, Department of the Auditor General
Mr. F. Stephenson Matthes, Chief Counsel, Department of the Auditor General

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Response to Performance Audit

Costs Reimbursed by the Pennsylvania Department of Human Services

RESPONSES

The following represents our responses to the Recommendations section of the report:

1. Agreed and will do so in accordance with our policy.
2. Agreed and will add to written procedures and training instructions.
3. Agreed and will do so in accordance with current billing regulations/requirements.

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Auditor's Conclusions to Masonic Villages of Pennsylvania's Response

Masonic Villages of Pennsylvania (Masonic Villages) management agrees with our finding and recommendations and states that it will implement our recommendations in accordance with its policy and Medical Assistance (MA) regulations and requirements. We commend management's intention to implement our recommendations and believe in doing so, Masonic Villages' management controls will be improved to help ensure compliance with MA regulations.

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Appendix A

Objective, Scope, and Methodology

The Department of the Auditor General conducted this performance audit of the Masonic Villages of Pennsylvania (Masonic Villages) under the authority of Sections 402 and 403 of The Fiscal Code (Code), and in accordance with the 2018-2019 Budget Implementation provision of Article XVII-H, Subarticle B, Section 1715-H of the Code.¹⁸ This audit was limited to the objective identified below and was not conducted, nor required to be conducted, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We planned and performed this audit to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that the evidence obtained provides a reasonable basis to support our results, finding, and conclusions.

Objective

Our audit objective was to determine whether medical services for which the costs were reimbursed by the Pennsylvania Department of Human Services (DHS) were rendered.

Scope

The audit objective covered the period July 1, 2017 through June 30, 2018, with updates through the report date.

Methodology

We selected test items using a combination of random and judgmental selection based on auditor's professional judgment. Consequently, the results of our testing cannot be projected to, and are not representative of, the corresponding population.

To address the audit objective, we performed the following procedures:

- Reviewed the following laws, regulations, policies, and procedures applicable to Masonic Villages as a provider of Long-term Care Nursing Facility services for Medical Assistance (MA)-enrolled individuals to determine statutory, regulatory, and policy requirements related to our audit objective:
 - *Grants to States for Medical Assistance Programs*, Title XIX of the Social Security Act of 1935, as amended (42 U.S.C. § 1396 *et seq.*).¹⁹

¹⁸ 72 P.S. §§ 402, 403, and 1715-H.

¹⁹ <https://www.ssa.gov/OP_Home/ssact/title19/1900.htm> (accessed January 13, 2020).

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- *Public Assistance Manual*, Part II, Title 55 of the Pennsylvania Code (55 Pa. Code § 100 *et seq.*).²⁰
 - *Medical Assistance Manual*, Part III, Title 55 of the Pennsylvania Code (55 Pa. Code § 1101 *et seq.*).²¹
 - Masonic Villages' *Long-term Care-Nursing Facility Service Documentation* policy and procedure.²²
- Interviewed Masonic Villages' management to gain an understanding of the organization's long-term care nursing facility operations associated with our population of claims that DHS approved for reimbursement to Masonic Villages during the audit period.
 - Obtained Masonic Villages' written procedures that its nursing facility follows to document the long-term care services provided, in order to develop audit procedures that test management controls designed to ensure the accuracy of the service descriptions that support Masonic Villages' MA reimbursement claims submitted to DHS and compliance with applicable laws and regulations.
 - Met with DHS staff from the Office of Long-term Living (OLTL) to gain an understanding of the Long-term Care Nursing Facilities Services program and the services eligible for reimbursement. We also discussed how claims are submitted for services provided for MA-enrolled individuals using the PROMISE™ system, which verifies the individuals' MA eligibility before a claim is approved for reimbursement.
 - Obtained a data file from DHS OLTL containing all Masonic Villages MA claims that DHS approved for reimbursement during the period July 1, 2017 through June 30, 2018, totaling \$25,038,080. We limited our audit population to 6,109 nursing facility services claims totaling \$18,871,708 and 205 exceptional durable medical equipment (DME) reimbursement claims totaling \$244,011 at Masonic Village at Elizabethtown.
 - Judgmentally selected 40 nursing facility long-term care service claims from the data file and audit population noted in the previous bullet in order to maximize the number of individuals and service months tested.
 - Developed and performed the following procedures to test the selected claims for compliance with laws and policies and to ensure management controls were operating

²⁰ <<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/partIIItoc.html&d=>> (accessed January 13, 2020).

²¹ <<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/chapter5221/s5221.1.html&d=reduce>> (accessed January 13, 2020).

²² Masonic Villages *Mental Health Service Documentation* policy and procedure, No. P-02-18, August 29, 2018.

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effectively based on our understanding of Masonic Villages' procedures and review of example documentation:

- Reviewed source documents associated with each selected claim to verify the need for long-term nursing facility services was appropriately assessed and authorized by a county's Area Agency for the Aging.
- Confirmed the MA-enrolled resident had DHS approval to receive MA for long-term care services during the service period associated with each selected claim.
- Reviewed the resident's agreement with Masonic Villages for each selected claim to ensure the MA recipient had consented to Masonic Villages providing their long-term care needs.
- Reviewed Masonic Villages' census reports and 24-hour summary reports covering the service period for each selected claim to verify the daily presence of the resident was validated by the nursing supervisor of the staff who provided the service.
- Recalculated the number of service days indicated on Masonic Villages' service documents for each selected claim and recalculated the claim amount by multiplying the number of service days by the DHS-established reimbursement rate.
- Verified the data associated with each MA claim selected for testing from the DHS OLTL file agreed with the claim's source documents in accordance with DHS OLTL policy.
- Randomly selected three DME claims from the data file provided by DHS OLTL (as described above). We ensured that the selected claims were associated with purchases for three different individuals.
- Developed and performed the following procedures to test the DME purchases associated with the selected claims for compliance with laws and policies, and to ensure management controls were operating effectively based on Masonic Villages' procedures:
 - Reviewed source documents to verify that Masonic Villages' staff assessed and documented the MA-enrolled resident's medical need for the DME.
 - Confirmed DHS pre-authorization for the DME on the Notice of Decision.
 - Compared the DME listed on the vendor invoice to the authorized equipment listed on the Notice of Decision and resident's medical needs assessment for each selected DME claim. We also ensured Masonic Villages paid the DME vendor within 30 days of the claim submission date.

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- Verified the data associated with each DME claim selected for testing from the DHS OLTL file agreed with the claim's source documents maintained by Masonic Villages, in accordance with DHS OLTL policy.
- Conducted an analysis of the DME vendor invoice payment dates for each claim listed in the DHS OLTL data file after determining that Masonic Villages paid one of the three vendor invoices from the DME claims initially selected, more than 30 days after it submitted the claim to DHS for reimbursement. Our analysis identified one additional invoice payment that violated the regulations. These violations are included in the finding within this report.

Data Reliability

We performed an assessment of the sufficiency and appropriateness of computer-processed information that we used to support our finding, conclusions, and recommendations. The assessment includes considerations regarding the completeness and accuracy of the data for the intended purposes.

To assess the completeness and accuracy of the data file received from DHS OLTL containing individual Masonic Villages' claims approved by DHS during the period July 1, 2017 through June 30, 2018, we reconciled the total of this file to the data obtained from DHS and evaluated as part of the Commonwealth's Single Audit for fiscal year ended June 30, 2018.²³ Additionally, we judgmentally selected 40 nursing facility service claims and randomly selected three DME claims from the DHS OLTL data file and agreed the data to source documents maintained by Masonic Villages as described in the *Methodology* section above. We therefore concluded the DHS OLTL data file was sufficiently reliable for the purposes of this engagement.

²³ As part of the Single Audit, the Department of the Auditor General obtains monthly data files of MA claims from DHS. This data is evaluated and tested for reliability as part of the Single Audit of the MA program. While the DHS PROMISE™ system is the same source for both the MA claims data evaluated during the Single Audit and the claims data provided to us for Masonic Villages, we consider the Single Audit data to be a reliable independent source for purposes of our engagement since DHS provided the data at different times for different purposes.

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Appendix B

Distribution List

This report was distributed to the following Commonwealth officials:

The Honorable Tom Wolf

Governor

Mr. Thomas Gamon, IV

Board Chairman

Masonic Villages of Pennsylvania

William L. Kingsbury, Esq.

Chief Executive Officer

Masonic Villages of Pennsylvania

Ms. Pam Formica, CPA

Chief Financial Officer

Masonic Villages of Pennsylvania

The Honorable Teresa D. Miller

Secretary

Department of Human Services

Ms. Tina Long

Director, Bureau of Financial Operations

Department of Human Services

Mr. Alexander Matolyak, CPA

Director, Division of Audit and Review

Department of Human Services

The Honorable Tom Murt

Majority Chair

House Human Services Committee

The Honorable Angel Cruz

Democratic Chair

House Human Services Committee

The Honorable Michelle Brooks

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Senate Health and Human Services
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The Honorable Arthur Haywood

Democratic Chair

Senate Health and Human Services
Committee

The Honorable Pat Browne

Majority Chair

Senate Appropriations Committee

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Secretary of the Budget

Office of the Budget

The Honorable Joseph M. Torsella

State Treasurer

Pennsylvania Treasury Department

The Honorable Josh Shapiro

Attorney General

Office of the Attorney General

The Honorable Michael Newsome

Secretary of Administration

Office of Administration

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