

PERFORMANCE AUDIT REPORT

PATH, Inc.

Costs reimbursed by the
Pennsylvania Department of Human
Services

May 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DePASQUALE
AUDITOR GENERAL

May 18, 2020

Ms. Elizabeth Andl-Petkov
President and Chief Executive Officer
PATH, Inc.
8220 Castor Avenue
Philadelphia, PA 19152

Dear Ms. Andl-Petkov:

This report contains the results of the Department of the Auditor General's performance audit of PATH (People Acting To Help), Inc. 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 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 60 claims that were reimbursed by DHS for services provided through PATH's Community Integrated Employment (CIE) program and found that documentation maintained by PATH supported that services were rendered in accordance with applicable laws and policies with two exceptions, which resulted in an overpayment to PATH of \$89 due to inadequate supervisory review procedures. Additionally, we found that PATH did not comply with DHS' service documentation policy during our audit period regarding service notes and service activity descriptions required to be created and maintained in support of Medical Assistance claims for the CIE program. The report presents one finding and offers three

Ms. Elizabeth Andl-Petkov

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recommendations for PATH to strengthen its management controls to ensure compliance with DHS regulations and policies that require accurate and sufficient service documentation to substantiate claims and assess service quality.

In closing, I want to thank PATH for its cooperation and assistance during this audit. We are pleased that management agrees with and plans to implement all of our recommendations. We are also encouraged by management's commitment to improve its processes designed to ensure that the services provided are accurately documented according to DHS regulations and recorded in its system used to submit claims to DHS for reimbursement. 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 stroke at the end.

Eugene A. DePasquale
Auditor General

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Background

In 1973, PATH (People Acting To Help), Inc. began operations in northeast Philadelphia, Pennsylvania, and was incorporated as a non-profit entity. A group of community members, many having relatives with a behavioral health diagnosis and/or intellectual disabilities (ID), formed PATH to provide needed behavioral health and ID services, which according to PATH, were almost non-existent at the time. With a staff of 14, PATH originally only provided information and referral services; however, the organization has grown to serve more than 4,200 individuals each year through various behavioral health programs, including mental health services, substance abuse treatment, and ID programs. More than 600 staff members provide services at PATH's various facilities throughout the greater Philadelphia area. These facilities include its main campus in northeast Philadelphia, six satellite locations, and 66 homes in the community where residential supports are provided to enable individuals to remain living in the community.¹

PATH is governed by a Board of Directors whose members are all volunteers, and most of whom have family members with a behavioral health diagnosis and/or ID. The Board sets policy for the agency and advocates for the needs of all those in the community. It hires the President/Chief Executive Officer who is responsible for the management of PATH. PATH's leadership team also consists of the Executive Staff and the Expanded Management Council, and the team develops programs, implements policies and procedures, evaluates effectiveness, and makes changes as appropriate.²

PATH's mission states:

"Helping Individuals Achieve A More Independent and Fulfilling Life."

Through this mission, PATH supports individuals with behavioral health diagnosis and/or ID by providing services that utilize their strengths, address life's challenges, optimize opportunities that arise, engage in meaningful relationships, and empower them to recognize their own potential and worth.³

Programs

As a comprehensive provider of community services, PATH offers a wide array of services and supports to meet the needs of every individual in its programs. PATH provides behavioral health

¹ <<http://www.pathcenter.org/about.htm>> (accessed January 27, 2020). PATH management provided current figures.

² <<http://www.pathcenter.org/leadership.htm>> (accessed March 4, 2020). Please note that the Expanded Management Council, which currently has 23 members, is made up of PATH representatives, including the President/Chief Executive Officer, and an array of other professionals working in, among others, the fields of behavioral health programs, Children and Youth Services, and ID programs.

³ <<http://www.pathcenter.org/mission.htm>> (accessed January 23, 2020).

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services to children, adolescents, and adults experiencing mental health and/or substance abuse problems. PATH also offers services and supports to adults with ID, including vocational habilitation, community integrated employment, adult day programs, and community living arrangements.⁴

The Pennsylvania Department of Human Services (DHS) authorizes services for Medical Assistance (MA)-enrolled individuals according to their Individual Support Plans (ISP).⁵ PATH receives reimbursement at DHS-established rates for the services authorized on the individuals' ISP. As explained in the *Audit Procedures and Results* section of this report, our audit focused on MA reimbursements related to PATH's Community Integrated Employment program as described below.⁶

Community Integrated Employment

The Community Integrated Employment (CIE) program at PATH provides assistance to adults with ID and/or behavioral health disorders with finding a job. CIE program staff, called community job trainers, work with individuals to determine the types of jobs the individuals desire, find prospective employers, and help them obtain a job. Job trainers attend interviews with the individuals and assist them throughout the hiring process. Once the individuals are offered a position, job trainers work with the individuals at the worksite until they can independently perform all job duties to the employer's satisfaction. Periodically, or whenever help is needed, the job trainers return to the work site to assess the individuals' performance and attitude to ensure they are content with the job or wish to change jobs or programs. The goal of the CIE program is to help individuals who want to work become as independent as possible by finding and keeping a job that they enjoy.⁷ According to PATH's 2017-18 Annual Report, 133 individuals received CIE program services during the fiscal year July 1, 2017 to June 30, 2018.⁸

Funding

PATH receives most of the funding for these programs through the Center for Medicare & Medicaid Services within the U.S. Department of Health and Human Services and DHS' Office of Developmental Programs. Through the Medicaid Home and Community-Based Services (HCBS) waiver program authorized by the Social Security Act, a state may offer a multitude of

⁴ <<http://www.pathcenter.org/services.htm>> (accessed March 4, 2020).

⁵ The ISP is developed for individuals with developmental disabilities to document their personal preferences, dreams and wishes, medical history, and other information meant to be used by everyone involved in the individuals' network of support so services can be structured to meet the individuals' needs based on their own choices. The ISP is updated annually or sooner, if the individuals' circumstances/preferences change.

⁶ Information on all other PATH programs and services may be obtained directly from PATH's website (<http://www.pathcenter.org/services.htm>).

⁷ <http://www.pathcenter.org/MR/mr_comintemp.htm> (accessed March 4, 2020).

⁸ <<http://www.pathcenter.org/AnnualReports/2018/PATH%20Annual%20Report%202018.pdf>> (accessed March 4, 2020).

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home and community-based services that allow MA recipients to remain in the community and avoid becoming institutionalized.⁹ The state may design its waiver program to meet the needs of its targeted population.¹⁰ PATH participates in Pennsylvania’s waiver program and submits claims to DHS on a fee-for-service basis through DHS’ PROMIS^e™ system in accordance with federal and state regulations. For the fiscal year ended June 30, 2018, PATH received approximately \$21 million for services provided to MA-enrolled individuals through the HCBS waiver program. PATH receives additional program funding through contracts with the U.S. Department of Housing and Urban Development and several City of Philadelphia programs and offices, which include the Philadelphia Department of Behavioral Health/Intellectual Disability Services, Philadelphia Community Behavioral Health, Philadelphia Department of Human Services, and Philadelphia Office of Vocational Rehabilitation.¹¹

⁹ Social Security Act of 1935, 42 U.S.C. § 1915(c) (relating to “Waiver respecting medical assistance requirement in State plan...”) (amended 1983), which was transferred to and re-codified at 42 U.S.C. § 1396n(c).

¹⁰ <https://www.dhs.pa.gov/Services/DisabilitiesAging/Documents/Alternatives_to_Nursing%20Homes/PFDS%20Waiver%20Amendment%20July%201%202017.pdf> (accessed January 23, 2020).

¹¹ <<http://www.pathcenter.org/about.htm>> (accessed March 4, 2020).

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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.

PATH 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 listing the individual reimbursement claims approved for PATH during the fiscal year ended June 30, 2018. The table below shows that PATH received 99 percent of its MA funding for the Home and Community-Based Services (HCBS) Waiver programs for individuals with Intellectual Disabilities (ID) from DHS for the fiscal year ended June 30, 2018.¹²

PATH MA Funds by Account Code (For the Fiscal Year Ended June 30, 2018)		
Account Code	Amount	Percent of Total
HCBS-ID Waiver programs	\$21,082,815	99%
All Others	\$ 184,697	1%
Total	\$21,267,512	100%

Source: Produced by Department of the Auditor General staff from information provided by DHS.

Of the HCBS-ID Waiver program reimbursements, we limited our population to all DHS-approved reimbursements for services provided through PATH's Community Integrated Employment (CIE) program, which included 2,217 claims, totaling more than \$285,000.¹³

In order to determine whether the services were rendered for which PATH submitted claims and for which DHS' provided approval for reimbursement during the fiscal year ended June 30, 2018, we developed audit procedures based on our review of applicable laws, DHS regulations and policies, as well as PATH policies, inquiries of management, and evaluation of management controls. From the DHS data file, we identified the individual claims DHS approved for reimbursement during the audit period, which PATH submitted for the CIE program services provided.¹⁴ To ensure audit coverage over each type of service provided, we judgmentally selected a total of 60 claims for review to ensure coverage over each type of CIE program service and to maximize the number of individuals reviewed.¹⁵ The 60 claims represented reimbursements totaling \$7,917.

¹² Waivers under this program include the consolidated, person/family directed support, and community living waivers.

¹³ To satisfy our audit requirements pursuant to The Fiscal Code, 72 P.S. § 1715-H (2018-2019 Budget Implementation provision), we selected PATH and other MA providers from the DHS listing of active MA providers. For PATH, we specifically focused on the CIE program.

¹⁴ See descriptions of CIE program services provided in the Background section of this report.

¹⁵ Each claim includes a service code that identifies the type of service provided. The CIE program staff provide three different types of services: 1) career assessment, 2) job finding/development, and 3) job support. The three codes represented between 19% and 57% of the total number of claims. We prorated our sample of 60 claims using

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Based on the results of our audit procedures, we found that PATH used service activity logs to document each service provided. We noted, however, that the service activity logs did not include a detailed description of the service activities performed, as required by DHS policy.¹⁶ Despite PATH's noncompliance, we determined that the activity logs along with other documents we reviewed allowed us to reasonably determine whether services were actually rendered. We found that services were actually provided for each claim included in our selection; however, the service duration for two claims did not agree with the service activity logs, resulting in overpayments totaling \$89 for services not rendered. For the remaining 58 claims, the service documentation agreed with the claim reimbursement amounts. We further identified management controls that should be strengthened regarding supervisory review of service documents. The noncompliance with service documentation requirements, overpayments for services not rendered, and management control weaknesses identified are addressed in the finding within this report.

these percentages to ensure coverage of each service code and ensured the selected claims involved different individuals.

¹⁶ DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017. The purpose of the Bulletin was to communicate and provide direction regarding expectations for claim and service documentation for services provided through the Consolidated and Person/Family Directed Support Waiver Services and Targeted Services Management.

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Finding – PATH did not comply with the Department of Human Services’ policy regarding the required content of service notes and received \$89 in overpayments for services not rendered.

According to the Pennsylvania Department of Human Services’ (DHS) regulations and policies, Medical Assistance (MA) providers must maintain a record of services-related documentation supporting each claim submitted to DHS for reimbursement.¹⁷ PATH receives MA payments based on DHS-established rates for eligible services provided to MA-enrolled individuals. Multiplying the rate by the number of service units, which represent the duration of the service, determines the reimbursement amount for each claim.¹⁸

As noted in the *Audit Procedures and Results* section of this report, our audit focused on DHS-approved reimbursements for services provided through PATH’s Community Integrated Employment (CIE) program. The CIE program offers three types of services that are provided by job trainers: 1) job/career assessment, 2) job development, and 3) job support services. CIE program services are eligible for reimbursement when provided for individuals authorized to receive the services on the DHS-authorized Individual Support Plans (ISP).¹⁹ During the audit period, PATH used service activity logs to document the CIE program services provided and substantiate the MA claims for reimbursement, and monthly progress notes to ensure the services met the participants’ needs and achieved the outcomes in the ISPs.

DHS approved reimbursements for 2,217 claims totaling more than \$285,000 between July 1, 2017 and June 30, 2018 for PATH’s CIE program services. We judgmentally selected 60 claims for review, totaling \$7,917.²⁰ As a result of our audit procedures, we determined that the service activity logs, in conjunction with participants’ monthly progress notes and the PATH employee time records, allowed us to conclude that services were rendered. Additionally, we determined that staff adequately completed monthly progress notes to ensure the provided services met the participants’ needs and achieved the outcomes as outlined in the ISPs. We found, however, that PATH:

¹⁷ 55 Pa. Code § 51.16 (relating to Progress Notes) (July 1, 2011) as referenced in the DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017. **Note:** Title 55, Chapter 6100, *Services for Individuals with an Intellectual Disability or Autism* replaced Title 55, Chapter 51 on October 4, 2019, see also more specifically Sections 6100.226 and 6100.227 (relating to Documentation of Claims and Progress Notes).

¹⁸ DHS Office of Developmental Programs Bulletin 00-17-03, Attachment 1, revised February 23, 2018; A service unit equals 15 minutes of services provided for an MA-enrolled individual in the CIE program. Providers must render services for a full 15 minutes before they are permitted to claim a unit for reimbursement. Any service period lasting less than 15 minutes may not be rounded up and claimed as a unit.

¹⁹ The Individual Support Plan (ISP) is developed for individuals with developmental disabilities to document their personal preferences, dreams and wishes, medical history, and other information meant to be used by everyone involved in the individuals’ network of support so services can be structured to meet the individuals’ needs based on their own choices. The ISP is updated annually or sooner, if the individuals’ circumstances/preferences change.

²⁰ Using auditor judgment, we ensured that the 60 selected claims were associated with different individuals, where possible, and ensured a representative number of claims was selected from each of the three CIE program services; career assessment, job finding/development, and job support.

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- Did not comply with DHS' service documentation policy regarding service notes and service activity descriptions required to be created and maintained in support of its MA claims for the CIE program.
- Lacked adequate review procedures resulting in overpayments totaling \$89 from two inaccurate MA claims.

The following sections present details of these deficiencies.

PATH did not comply with DHS' service documentation policy regarding service notes and service activity descriptions required to be created and maintained in support of its MA claims for the CIE program.

PATH combines manual procedures with an electronic record-keeping system, called Avatar, to gather, compile, and validate service documentation and submit claims to DHS for reimbursement. On the day a service is provided, the job trainer documents each service by manually completing a service activity log. The logs are designed as a grid with the date and job trainer's name pre-populated at the top before the form is printed. The column titles include client name, client ID number, service code, time of day, and duration of service performed. Job trainers complete a row of the grid for each service provided and sign the log when done. Completed logs are given to the CIE program supervisor for review. Once reviewed, they are forwarded to PATH's Health Information Services where clerks enter the CIE program participant's information recorded on the logs into Avatar. The system automatically checks the service details entered against the individual's ISP information to ensure the service is authorized for reimbursement. The claims are compiled and electronically submitted as a batch through DHS' PROMIS^e™ system on a monthly basis.²¹

As described above, PATH's job trainers documented the CIE program services associated with the 60 claims we reviewed using service activity logs. The logs were completed for each service provided and maintained to support the MA claim submitted to DHS. We found, however, that the logs did not include sufficient details that described the service delivery as required by DHS. Each log only included a three-digit code that represented a generic service type, such as job/career assessment, job finding/development, or job support. On July 21, 2017, DHS issued an MA bulletin to describe its expectations and offer guidance to MA providers for adequate claims and service documentation. The bulletin required service notes to document each service provided and monthly progress notes to assess the individuals' progress towards their desired goals and the effectiveness of the services. Service notes support the propriety of each claim

²¹ PROMIS^e™ is the Provider Reimbursement and Operations Management Information System in an electronic format. It is DHS' claims processing and management information system that incorporates the claims processing and information activities of the following DHS program areas: Office of Medical Assistance Programs; Office of Developmental Programs; Office of Mental Health and Substance Abuse Services; Office of Long-Term-Living; Special Pharmaceutical Benefits Program; and Healthy Beginnings Plus.

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submitted for reimbursement and must include details about the service delivery. In addition to basic service information, such as the date and time of the service and the individual's name, staff must include the nature and extent of the service provided.²²

PATH management explained that the claim and service documentation requirements of the July 2017 DHS bulletin were not clear regarding the service activities of the CIE program, so it continued to follow previous DHS regulations and policy in effect prior to July 2017.²³ A year after the bulletin was issued, DHS published interim technical guidance for claim and service documentation, which included service note criteria for various types of programs and services.²⁴ DHS also conducted training sessions for providers. PATH management stated that with the additional guidance, it developed and implemented new service notes for the CIE program in December 2018. Management provided an example to show that it now requires job trainers to include more details about the service activities and service delivery. Although not tested as part of our audit procedures, the current service notes appear to comply with DHS policy.

PATH lacked adequate review procedures resulting in overpayments totaling \$89 from two inaccurate MA claims.

In addition to reviewing documentation to reasonably conclude that MA-enrolled individuals received DHS-authorized services as indicated for the 60 claims selected for testing, we conducted procedures to determine if PATH's claims included accurate reimbursement amounts. For each claim, we identified the DHS-established reimbursement rate applicable for the service type and recalculated the number of service units based on the service duration recorded on the service activity logs. We multiplied the rate and number of service units to determine the correct reimbursement amount for the claim and compared it with the amount DHS approved for reimbursement.

As a result of our review of PATH documentation for the 60 claims and time records related to the job trainers that provided these services, we determined that PATH submitted two inaccurate claims to DHS, which resulted in reimbursements for service time not provided totaling \$89. For one incorrect claim, PATH management stated that its Health Information Services' clerk erroneously entered two more units of service into the individual's electronic health record in Avatar than was reported on the service activity log, which resulted in an over-reimbursement of \$36 for service time not provided. For the second incorrect claim, PATH received reimbursement for one hour, or four units of service, as reported on the service activity log. However, after comparing the start time of the service to the job trainer's time record, we found that the job trainer left for the day 15 minutes after the service start time; therefore, only 15

²² DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

²³ 55 Pa. Code §§ 51, 1101; DHS Office of Developmental Programs Communication Number: Announcement 035-14, June 13, 2014.

²⁴ DHS Office of Developmental Programs Bulletin 00-18-04, issued July 25, 2018.

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minutes, or one unit of service, could have been provided. Consequently, PATH received \$53 for 45 minutes, or three units of service, not provided.

PATH management stated that human error caused these overpayments and that while a supervisor reviews service documentation and another spot-checks clerks' data entries into Avatar, the reviews are not documented and these reviews did not detect and correct the errors. Additionally, PATH could not provide written procedures that describe these review processes or how frequently they are performed. Our review of the 60 claims did not find any evidence that the CIE program supervisor reviewed the job trainers' service documentation, including comparison of staff time records to service activity logs, or the clerks' data entry. Without written procedures and documentation of these vital reviews, management cannot be assured that supervisors adequately complete these reviews.

In any business environment, management has the important responsibility to develop, document, implement, and evaluate controls designed to produce desired outcomes efficiently. For PATH, a well-designed supervisory review process would allow management to closely monitor the quality of the CIE program while effectively ensuring the service documentation complies with DHS regulations and policies. It would also reduce the risk of submitting inaccurate claims as reviewers would consistently perform the designed procedures and document their results. This would allow management to carefully review and evaluate the effectiveness of the process and adjust procedures accordingly. Additionally, independent outside entities, such as auditors, could validate management's efforts to ensure compliance with DHS regulations and policies.

Recommendations

We recommend that PATH:

1. Ensure service documentation includes all information required by DHS regulations and policies to support MA claims.
2. Develop and implement detailed written procedures for the supervisory review of CIE program services' documentation, including service notes and employee time records, to ensure compliance with DHS regulations and policies, and require a reviewer's signature as evidence of the review.
3. Develop and implement detailed written procedures for the supervisory review of clerks' data entry of MA claims information to ensure accuracy and compliance with DHS regulations and policies, and require a reviewer's signature as evidence of the review.

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PATH, Inc.'s Response and Auditor's Conclusions

We provided our draft audit procedures and results, and finding and related recommendations to PATH, Inc. (PATH) for its review. On the pages that follow, we included PATH's response in its entirety. Note that the page numbers referred to by PATH in its response are from the draft report of our audit procedures and results and do not correspond to the page numbers in this final report. Following PATH's response is our auditor's conclusions.

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Audit Response from PATH, Inc.



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Nancy Greenstein
Chairperson, Board of Directors

Elizabeth Andl-Petkov
President and Chief Executive Officer

May 7, 2020

Mr. Scott D. King, CPA
Acting Director
Bureau of Performance Audits
302 Finance Building
Harrisburg, PA 17120-0018

Dear Mr. King:

PATH, Inc. submits this letter in response to the draft performance audit conducted by the Auditor General regarding payments received by PATH under the Medical Assistance Program relating to PATH's "Community Integrated Employment Program ("CIE") during the period July 1, 2017 through June 30, 2018. The purpose of the audit, as noted on page five (5) of the draft report, was "to reasonably determine whether services were actually rendered [by PATH]." We appreciate the opportunity to review and comment on the draft report and for your review and consideration of our comments.

We note as well the professionalism displayed by your staff during our interactions with them. They provided us with helpful information related to this audit and were always available to answer any questions.

We are pleased that the auditors determined, as noted on page five (5) of the draft report, that CIE services "were actually provided for each claim included in our selection" although the auditors determined that the "service duration for two claims did not agree with service activity logs" totaling \$89.00 (an error rate of approximately .01% of audited claims and attributable to an inadvertent keying error and a coding mistake).

As we explain in detail in our response, PATH maintains, and believes that the facts support, that we successfully practice strong supervisory and monitoring practices relating to our provision of and accounting for all the services we render both generally and specifically regarding CIE services. We note the comment in the draft report

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regarding PATH's purported "non-compliance" with a particular Bulletin issued in July 2017 by the Office of Developmental Programs (ODP). As we explained during the course of the audit and also in our attached response, a common practice by ODP during FY 2017/2018 (and previous thereto) was to issue administrative "Bulletins" regarding service provision "requirements" under the Consolidated and Person/Family Directed Support Waiver Programs. That practice bypassed the standard and applicable regulatory review process. And, notably, ODP itself, when it finally adopted new program service and payment regulations in October 2019 (49 Pa. B .5777 et seq.), readily acknowledged the confusion experienced by providers regarding the completion of progress notes and service notes due to the inherent ambiguity, vagueness, and general lack of clarity that characterized ODP's policies as set out in the Bulletins. (See, e.g., attached excerpts from the Preamble to the new regulations.) Consequently, given ODP's reliance on Bulletins, as opposed to duly promulgated regulations, to impose mandates on providers during the audit period as well as its subsequent public comments about the obvious need for material revisions to be made to its policies through formal regulations, PATH urges the Auditor General to reconsider any findings relating to alleged "non-compliance" with the referenced legally suspect and problematic Bulletins.

PATH has evaluated the recommendations in the audit report and have already implemented them and will continue to take those recommendations into account moving forward. PATH is committed to maintaining a robust compliance program.

Thank you again for the opportunity to respond to this report and we look forward to continuing to provide quality services to those with Behavioral Health challenges and with Intellectual Disabilities.

Sincerely yours,

DocuSigned by:

FACE083A871D455...
Elizabeth Andl-Petkov
President and CEO

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PATH Response to Auditor General Audit Findings May 7, 2020

PATH would like to thank the Auditor General auditors for their interest in learning about our agency and its services, as well as the collaboration throughout the on-site audit. We also appreciate their acknowledgement that “We found that services were actually provided for each claim included in our selection” on page 5 of this report.

Response to Findings

Results section, Page 5

Regarding “PATH’s noncompliance” with DHS Bulletin 00-17-02 issued 7/21/17

PATH followed the Chapter 51 regulations in place since 2012 requiring only a monthly progress note and no daily service notes. However, PATH staff documented daily activities on a service activity log which included the name of the client, the type of service, the number of units and the staff member’s signature attesting to these services. These logs were used to generate claims to ODP. The detailed description of the services performed were captured in the required monthly progress note completed for each client.

In July 2017, the DHS Office of Developmental Programs (ODP) issued a Bulletin (00-17-02) that attempted to further clarify the Chapter 51 regulations regarding service documentation, but instead created massive confusion among providers. This bulletin required both a monthly progress note and daily service notes. The Bulletin was unclear to providers on how the required documentation was differentiated among other issues. PATH made multiple efforts to seek clarification from ODP through documented emails to regional ODP Directors and to advocate for clarification through the two provider groups (i.e. PA Advocacy & Resources (PAR) and the Philadelphia Alliance of Community Service Providers).

Because of issues raised by providers, ODP agreed to provide further clarification noting at the Phila. Alliance of Community Service Providers Meeting on 10/5/17 that a Technical Guide to assist with interpretation was on hold but would be issued and that the timeframe for the progress note would be changed and the bulletin updated.

In October 2017 ODP reissued the Bulletin to clarify that the monthly progress note did not have to be completed until the month after the services were provided.

A year later, in July 2018, an ODP Bulletin (00-18-04) entitled “Interim Technical Guidance,” was issued which included changes from the 2017 Bulletin. It now required a quarterly progress note to be completed and daily service notes.

In August 2018, new proposed regulations, Chapter 6100, were released for comments and in the preamble, it noted that one benefit for providers would be “clarity of the documentation required to support a claim for payment” (55 Pa. Code Chapter 61, p.8), demonstrating that ODP was aware of the issues needing clarification in the preceding years.

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In Fall 2018, ODP held training webinars to further clarify the requirements for documentation and made the requirements more clear.

During all of this time when there was not a clear directive from ODP, PATH continued to follow the Chapter 51 regulations until final clarification was received by ODP in the late Fall of 2018. Following the ODP training webinars, PATH has complied with the new requirement of a quarterly progress note and daily service notes since December 2018 as noted on page 8 of this report.

After another year, the Chapter 6100 regulations were finalized and published in October 2019, finally fully resolving this issue as codified in the state regulations.

Finding section, Page 7

Regarding PATH not complying with DHS' service documentation policy

Same response above

Finding section, Page 7 - 9

Regarding PATH "lacked adequate review procedures resulting in overpayments totaling \$89 from two inaccurate MA claims"

PATH concurs that there were two overpayments identified, totaling \$89 and representing an exceptionally low error rate of .01% (\$89/\$7917) of the claims audited. In the first case, a keying error occurred by the staff entering the data and in the second case, the CIE staff person wrote "1" on the service activity log, likely representing 1 unit rather than 1 hour, which was entered into the billing system, with both overpayments returned. However, we strongly disagree that PATH lacks adequate review procedures overall.

PATH has strong supervisory and monitoring practices that have been in place before, during, and since the time of this audit period. Staff in CIE were and are responsible for double-checking each of their service activity logs before submission to the supervisor and attesting to their accuracy with their signature. In this small program, there is one long-time supervisor who has much familiarity with service logs, progress notes, and all CIE activities. This supervisor reviews all service activity logs before they are submitted for data entry to be billed and makes corrections as necessary before this submission. The supervisor also reviews progress notes for all new staff as well as periodic checks of notes for more established staff without performance issues. The supervisor conducts regular individual supervision and check ins with each job coach and reviews and approves timesheets on at least a biweekly basis and completes annual evaluations for each staff member. Support staff conduct record reviews to identify that service provision is documented and required documentation is filed in the record. Had job coaching staff in this program been interviewed for this audit, evidence of this strong supervision would have been easily indicated.

On the billing side, PATH also has strong supervisory and monitoring practices in place. Data entry and billing staff receive regular supervision as well as periodic review of their work. With millions of dollars and tens of thousands in claims each year, it would be impossible to have a supervisor check each one. However, this unit has specific written protocols for billing waiver claims for CIE services as well as runs edits in the billing system before submitting claims. At the time of this

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audit, the system checked for service times that were not in increments of 15 minutes. Data entry staff also reviewed the service activity logs to ensure they were complete and legible. A monthly report of services was issued to the CIE staff and supervisor to review again what was entered against the monthly progress note. If at any time discrepancies were identified, the billing staff were informed, service corrections were made in the system, and corresponding claim adjustments were made as applicable.

A new electronic health record (EHR) with new billing system was implemented just before the start of the fiscal year under audit in this report. Since that time, the system now has additional reports and edits that run to ensure we continue to have an even more thorough monitoring system in place. A list of services is now generated weekly instead of monthly and emailed to the CIE supervisor for even more frequent service verification checks. The supervisor reviews and provides feedback to staff, completing a Correction form for any service line that she identifies as inaccurate. With the supervisor now reviewing services weekly, any needed corrections will be addressed even sooner before ever being billed so that claim adjustments are minimized. Additional edits in the billing system have been added, such as flagging any service over a certain duration for review by CIE staff. The billing system is configured to limit service codes and staff to certain programs so there is no need to edit for potential data entry errors with incorrect service code or program entry. We anticipate that the CIE program will transition even more fully in the future to the agency EHR by directly entering notes, service codes, and duration into the system and eliminate the paper service activity logs and manual data entry currently in use. When this occurs, PATH will further evaluate the need for additional edits and reports as warranted for continued monitoring of compliant billing practices and service provision.

Recommendations, Page 9

1. As noted in the report on page 8, once ODP clarified the requirements for daily service notes, PATH implemented this in December 2018. PATH has always had service documentation in place to support MA claims.
2. Though PATH did provide consistent supervision for the job coaches and ongoing review of their service documentation, we do agree that it is beneficial to document supervisory oversight and have taken steps to do so.
3. Though we did provide consistent supervision for the clerks responsible for data entry of MA claims information and have robust claims processing protocols already in place to ensure accuracy and compliance, evidenced by our low error rate, we do agree that it is beneficial to document supervisory oversight and have taken steps to do so.

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Auditor's Conclusions to PATH, Inc.'s Response

PATH's management agrees with the facts presented in our finding, but disagrees that it lacked adequate review procedures and was justified to not comply with Pennsylvania Department of Human Services' (DHS) policies during the audit period. We are pleased, however, that management agrees with and indicated that it has taken steps to implement all of our recommendations, and are encouraged by management's commitment to improve its processes designed to ensure that the services provided are accurately documented according to regulations and recorded in its system used to submit claims to DHS for reimbursement. We present our conclusions below to management's disagreement as expressed in its response.

PATH's management agrees that our review discovered two inaccurate claims out of 60 claims tested, which resulted in overpayments totaling \$89. Although it describes supervisory review processes designed to ensure the accuracy of the service activity logs and data entries into its system used to generate claims for reimbursement, it agrees that these procedures are not documented and no evidence of any reviews conducted could be provided to the auditors. Documenting review procedures and the results of the conduct of those procedures would provide PATH with greater assurance that the procedures were performed properly and consistently. This would provide accountability for the performance of the review procedures, both internally and externally, and reduce the risk of errors similar to those we identified during the audit.

PATH's response also explains its justification for delaying implementation of the DHS July 2017 bulletin that required detailed service notes for each service provided. While management characterizes the policy as unclear and states that DHS agreed, it could not provide any documentation as evidence that DHS approved PATH's decision to delay implementation. Additionally, DHS confirmed to us that the July 2017 bulletin was in effect during the audit period and was not rescinded prior to the July 2018 bulletin update. DHS requires service notes as an essential management control to support the propriety of each claim and include details about the service delivery that are needed to complete the monthly progress notes. As we note in our finding, PATH management stated that with the additional guidance, it developed and implemented new service notes for the Community Integrated Employment (CIE) program in December 2018. Management provided an example to show that it now requires job trainers to include more details about the service activities and service delivery. Although not tested as part of our audit procedures, the current service notes appear to comply with DHS policy.

In consideration of PATH's response to the results presented in the finding, as explained by our conclusions above, our finding and recommendations remain as stated.

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Appendix A

Objective, Scope, and Methodology

The Department of the Auditor General conducted this performance audit of PATH (People Acting To Help), Inc. 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.²⁵ 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

All of the items selected for testing within this audit were 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 PATH operations related to services provided for Medical Assistance (MA)-enrolled individuals to determine legislative, 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.*).²⁶

²⁵ 72 P.S. §§ 402-403, and 1715-H.

²⁶ <https://www.ssa.gov/OP_Home/ssact/title19/1900.htm> (accessed January 13, 2020).

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- *Medical Assistance Manual*, Part III, Title 55 of the Pennsylvania Code(55 Pa. Code § 1101 *et seq.*).²⁷
 - *Office of Developmental Programs Home and Community-Based Services*, Part I, Subpart E, Title 55 of the Pennsylvania Code(55 Pa. Code § 51 *et seq.*).²⁸
 - *Home and Community-based Services: Waiver Requirements*, Subpart G, Part 441, Title 42 of the U.S. Code of Federal Regulations(42 CFR § 441.300 *et seq.*).²⁹
 - *DHS Office of Developmental Programs Bulletin 00-17-02*, Claim and Service Documentation Requirements for Providers of Consolidated and Person/Family Directed Support Waiver Services and Targeted Services Management.³⁰
 - *DHS Office of Developmental Programs 00-18-04*, Interim Technical Guidance for Claim and Service Documentation.³¹
- Interviewed PATH management to gain an understanding of the organization and programs offered in order to identify which programs are associated with our population of claims that DHS approved for reimbursement to PATH during the audit period.
 - Designed audit procedures to satisfy our audit objective based on our review of PATH’s documents and billing process for the CIE program.
 - Met with DHS staff from the Office of Developmental Programs (ODP) to gain an understanding of the Home and Community-based Services Intellectual Disabilities (HCBS-ID) Waiver program and the service codes that represent the eligible services. We also discussed how claims are submitted for services provided to 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 ODP containing all PATH HCBS-ID Waiver program claims that DHS approved for reimbursement during the period July 1, 2017 through June 30, 2018, encompassing 64,992 claims totaling \$21,082,815.
 - Analyzed the DHS data file to identify our selected audit population and found 2,217 claims totaling \$285,349 from claims related to the CIE program.

²⁷ <<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/partIIItoc.html&d=>> (accessed January 13, 2020).

²⁸ Title 55, Chapter 6100, Services for Individuals with an Intellectual Disability or Autism replaced Chapter 51 on October 4, 2019.

²⁹ <<https://www.govinfo.gov/content/pkg/CFR-2000-title42-vol3/pdf/CFR-2000-title42-vol3-part441.pdf>> (accessed January 13, 2020).

³⁰ DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

³¹ DHS Office of Developmental Programs Bulletin 00-18-04, issued July 25, 2018.

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- Judgmentally selected 60 claims from the identified audit population to include a representative number of claims from each service type and to avoid claims associated with the same individuals.
- Developed and performed the following procedures to test the selected claims for compliance with laws, regulations, and policies and to ensure management controls were operating effectively based on our understanding of PATH's procedures and review of example documentation:
 - Reviewed service documents associated with each selected claim to verify the service was provided and properly authorized based on the Individual Support Plans. We ensured the PATH program staff who provided the services signed and dated the service documents as required by DHS ODP policy.³²
 - Used PATH's employee attendance records to verify that its staff who provided the service and completed the service documentation was present on the service date.
 - Verified the data associated with each MA claim selected for testing from the DHS data file agreed with the claim's source documents in accordance with DHS ODP policy. For each test item, we agreed the individual's name, date of service, and number of units (duration of provided service) submitted, and we also recalculated the claim amount using the DHS-established reimbursement rate for the specific service.³³
- Reviewed PATH's personnel records for each of the ten program staff who provided the services associated with the 60 claims tested. We ensured the personnel records indicated that the staff received the training required for direct care personnel according to DHS regulations and PATH's training guidelines.³⁴ Noncompliance would invalidate the claims for services provided due to lack of evidence that the services were provided by qualified staff.

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.

³² Ibid.

³³ [https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Historical%20Rates/Fee%20Schedule%20Rates%20for%20Community-Based%20Services%20Effective%20July%201,%202017%20\(c_283982\).pdf](https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Historical%20Rates/Fee%20Schedule%20Rates%20for%20Community-Based%20Services%20Effective%20July%201,%202017%20(c_283982).pdf) (accessed January 27, 2020).

³⁴ 55 Pa. Code § 51.23.

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To assess the completeness and accuracy of the data file received from DHS ODP containing individual PATH 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, 2018.³⁵ Additionally, we judgmentally selected 60 claims from the DHS ODP data file and agreed the data to source documents maintained by PATH as described in the *Methodology* section above. We therefore concluded the DHS ODP data file was sufficiently reliable for the purposes of this engagement.

³⁵ 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 PATH, 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:

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