



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Office of Audit Services, Region V
233 North Michigan Avenue
Suite 1360
Chicago, IL 60601

September 14, 2010

Report Number: A-05-10-00018

Mr. Jason Helgerson
Administrator
Division of Health Care Access and Accountability
Wisconsin Department of Health Services
1 West Wilson Street, Room 350
Madison, WI 53701

Dear Mr. Helgerson:

Enclosed is the U.S. Department of Health & Human Services (HHS), Office of Inspector General (OIG), final report entitled *Review of Medicaid Personal Care Service Claims Submitted by Dane County Department of Human Services and Claimed by Wisconsin From July 1, 2006, Through June 30, 2008*. We will forward a copy of this report to the HHS action official noted below.

Section 8L of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please direct them to the HHS action official. Please refer to report number A-05-10-00018 in all correspondence.

Sincerely,

/James C. Cox/
Regional Inspector General
for Audit Services

Enclosure

HHS Action Official:

Jackie Garner
Consortium Administrator
Consortium for Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, IL 60601

cc:
Ms. Lynn Green
Director
Dane County Department of Human Services
1202 Northport Drive, 4th Floor
Madison, WI 53704

Department of Health & Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF MEDICAID
PERSONAL CARE SERVICE
CLAIMS SUBMITTED BY
DANE COUNTY
DEPARTMENT OF HUMAN SERVICES
AND CLAIMED BY WISCONSIN
FROM JULY 1, 2006, THROUGH
JUNE 30, 2008**



**Daniel R. Levinson
Inspector General**

**September 2010
A-05-10-00018**

Office of Inspector General

<http://oig.hhs.gov>

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Notices

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Section 8L of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site.

OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

INTRODUCTION

BACKGROUND

Medicaid Program

Pursuant to Title XIX of the Social Security Act (the Act), the Medicaid program provides medical assistance to low-income individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the Medicaid program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements.

Wisconsin's Medicaid Program

In Wisconsin, the Department of Health Services (DHS) is the State agency responsible for operating the Medicaid program. Within DHS, the Division of Health Care Access and Accountability administers the Medicaid program. DHS contracts with a private vendor for the State, to process and pay Medicaid claims through its Medicaid Management Information System (MMIS), including personal care services claims. During the period July 1, 2006, through June 30, 2008, the Federal medical assistance percentage varied from 57.47 to 57.65 percent.

Federal Requirements Related to Personal Care Services

Pursuant to section 1905(a)(24) of the Act and implementing Federal regulations (42 CFR § 440.167(a)), personal care services must be: (1) authorized for an individual by a physician in accordance with a plan of treatment or a service plan approved by the individual State; (2) provided by an individual who is qualified to provide such services and who is not a member of the individual's family;¹ and (3) furnished in a home or in another location.

The Office of Management and Budget Circular A-87 establishes principles and standards for determining allowable costs incurred by State and local governments under Federal awards. Section C.1.c of Attachment A of the Circular provides that to be allowable, costs must be authorized or not prohibited by State or local laws or regulations.

Wisconsin's Personal Care Services Program

Pursuant to Chapter HFS 105.17, Wisconsin Administrative Code (Code), Medicaid personal care services may be provided by county departments, home health agencies, or independent living centers. Chapter HFS 107.112 of the Code defines personal care services as medically-oriented activities related to assisting a recipient with activities of daily living (ADLs) necessary

¹ In Wisconsin, a family member that is not legally responsible for the beneficiary can be a personal care worker. Section 49.90(1) of the Wisconsin Statute defines a legally responsible relative as a spouse or the parent of a child under 18 years of age.

to maintain the recipient in his or her place of residence in the community. These services shall be provided upon written orders of a physician by a provider certified under HFS 105.17, and by a personal care worker employed by the provider or under contract to the provider who is supervised by a registered nurse, (RN), according to a written plan of care. The personal care worker shall be assigned by the supervising RN to specific recipients to do specific tasks for those recipients for whom the personal care worker has been trained.

Dane County Department of Human Services

Dane County Department of Human Services (Dane County) provides several services to the community including personal care services. Dane County offers the Medical Assistance Personal Care (MAPC) program to provide personal care services that include bathing, dressing, and other ADLs, as well as some light housekeeping. The county subcontracts with 11 agencies to manage and administer the MAPC program and each contracted agency uses the county's Provider Number for billing purposes. During the period July 1, 2006, through June 30, 2008, Dane County was paid over \$23 million for Medicaid personal care services.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of our audit was to determine whether the State agency properly claimed Federal Medicaid reimbursement for personal care services provided by Dane County.

Scope

We reviewed a sample of 100 personal care service line items totaling \$8,203, submitted by Dane County during the period July 1, 2006, through June 30, 2008. We did not review the medical necessity or reasonableness of the services claimed. In addition, we did not review the overall internal control structure of the State or the Medicaid program. Rather, we limited our internal control review to the objective of our audit.

We conducted fieldwork at Dane County administrative offices in Madison, Wisconsin in March 2010.

Methodology

To accomplish our objective, we:

- reviewed applicable Federal and State laws, regulations and guidelines;
- held discussions with State agency and County officials to gain an understanding of its personal care services program;
- obtained a population of Medicaid personal care services claims for the period July 1, 2006, through June 30, 2008.

- selected a random sample of 100 personal care service line items, totaling \$8,203, submitted by Dane County; and for each sample item:
 - determined if the recipient was enrolled in the Medicaid program;
 - reviewed the personal care worker's timesheet to determine if the related service was actually provided;
 - reviewed the provider's certification requirements, recipient's plan of care, prior authorization for services, personal care worker's qualifications, nurse qualifications and nurse supervisory visits to determine whether the claim was allowable, and
 - determined if the related services were claimed at the correct rate.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

RESULTS OF REVIEW

The State agency properly claimed Federal Medicaid reimbursement for personal care services provided by Dane County during the two-year period ending June 30, 2008. As a result, this report contains no recommendations.