

Common Errors That Lead to Improper Payments for Personal Support Services

The Centers for Medicare & Medicaid Services (CMS) and the States are increasing educational outreach about Home and Community-Based Services (HCBS) to enhance awareness of and to engage providers and beneficiaries in efforts to reduce payment errors and fraud, waste, and abuse in the Medicaid program.

The Medicaid Integrity Program, established under the Deficit Reduction Act of 2005, and the President's November 2009 Executive Order 13520 Reducing Improper Payments and Eliminating Waste in Federal Programs are two comprehensive strategies that protect the integrity of the Medicaid program.

As part of these programs, CMS has analyzed data produced by the Payment Error Rate Measurement (PERM) program to identify areas that may be at high risk for improper payments and to target root causes for errors. Due to these PERM-identified payment errors, CMS implemented a supplemental measure to further assess HCBS. Through its analysis, CMS identified multiple payment errors and root causes.

This fact sheet has been developed to educate beneficiaries and providers about the major causes of payment errors and to maintain program integrity.

These are the key terms used in this document:

- **Beneficiary:** includes the person receiving Medicaid HCBS and their legal guardian, family member, or other support;
- **Provider:** includes physician; nurse practitioner; registered nurse; licensed practical nurse; aide; private or not-for-profit agency; case manager; State Medicaid agency or State sister agency; Medicaid durable medical equipment (DME), supplies, and devices supplier; home modification business; or other providers of HCBS; and
- **Person-centered plan:** synonymous with plan of care, care plan, individual service plan, (ISP), individual education plan (IEP), or other terms used to describe a written individual plan that includes HCBS.

This fact sheet summarizes the Medicaid benefit regarding personal support services and common documentation and billing errors identified by PERM analysis. After reading this fact sheet, providers should be able to describe:

- Common documentation and billing errors related to personal support services as identified by PERM data analysis;
- Promising practices to reduce or eliminate these errors; and
- Where to go for additional resources.

Overview of Personal Support Services

Medicaid personal support services are defined as providing assistance that most often relates to performing the activities of daily living (for example, eating, bathing, dressing, toileting, transferring, and maintaining continence) and the instrumental activities of daily living (for example, personal hygiene, light housework, laundry, meal preparation, transportation, grocery shopping, using the telephone, medication management, and money management).[1] State Medicaid programs commonly refer to these services as personal care services, adult companion services, and attendant care.

Personal support services can be provided as an optional benefit under a State Medicaid plan or as part of an HCBS waiver program. They may be provided to individuals who are not hospital inpatients or who are not residents of a nursing facility, an intermediate care facility for the intellectually disabled, an institution for mental health, or any other locations that have qualities of an institutional setting as determined by the Secretary.[2] However, under a 1915(c) waiver, a State can opt to allow reserve payments to retain personal support services during institutional stays.[3]

Personal support services must be provided in accordance with a person-centered plan authorized by a State Medicaid agency and may be offered under a self-directed care model under a State plan 1915(j) waiver.[4]

Overview of Common Errors

Improper payments for personal support services may occur when Medicaid funds are paid to the wrong entity, are paid in the wrong amount, are not supported by documentation or policy, or are used for services other than those identified in the person-centered plan. PERM data was analyzed to determine the root cause of payment errors for personal support services. The analysis identified three common errors: policy violations, insufficient documentation, and number of units error.

Policy Violations

Policy violations occur when billing or payment for services provided is not consistent with documented policy. Common policy violations for personal support services include:

- The person-centered plans were not signed by the case manager or other State-designated professional, did not include specific goals, and did not show necessity for the services provided. In general, person-centered plans should indicate a beneficiary's problems and needs; the type, frequency, and delivery methods for services that are needed; and the expected goals and outcomes of treatment;
- Person-centered plans and assessments or reassessments are to be completed according to required timelines established by State and Federal regulations. A majority of the payment errors identified were instances where assessments and reassessments were not completed and person-centered plans were not current and in effect at the time services were provided;
- Documentation does not meet basic requirements. It was illegible, signatures were missing, or the beneficiary was not identified on the documents; and
- Beneficiary was hospitalized on the dates of service billed.

Insufficient Documentation

Insufficient documentation errors occur when the documentation submitted by a provider does not fully support the procedure code billed. Common documentation errors for personal support services include:

- Service logs were missing the personal care aide's name, dates of service delivery, time spent, or activities performed. In addition, the logs were not signed by the personal care aide, the beneficiary, or both, as required;
- Progress notes did not indicate the services billed were provided, were not signed, or were missing for the date of service;
- For services provided in another setting (for example, adult day care or assisted living), there were no records submitted to show that the beneficiary was present to receive the service; and
- Authorized person-centered plan was not submitted to support the necessity of service.

Number of Units Error

Number of units error occur when a provider bills for an incorrect number of units for a procedure code. Common payment errors for personal support services include:

- The documentation did not support the number of units billed;
- Services provided overnight were not appropriately divided into units per day; and

- The units were not calculated correctly for the procedure code, such as billing for units of service in 1-hour increments when the requirements specify 15-minute increments. For example, the provider billed 3 units of procedure code S5120 Chore Services, per 15 minutes. Documentation indicated 3 hours (12 units) of chore services were provided during the billing period.

Promising Practices

There are some promising practices that can be integrated into daily practice to correct most of the errors found. They include:

- Quality control on services:
 - Check to make sure the services provided are included in the person-centered plan;
 - Check to make sure staff have the correct license or certification, and meet other qualifications to provide the service;
 - Check to make sure that the services provided are consistent with documented policy; and
 - Check to make sure that dates of service billed do not overlap with periods of institutionalization, except on date of admission or discharge.
- Quality control on beneficiary records:
 - Check for required forms in the record (person-centered plan);
 - Check for physician orders, if required;
 - Check for beneficiary identifier on each document; and
 - Check that documentation reflects the service provided.
- Quality control for claims processing:
 - Check the number of units billed against service logs to make sure they correspond;
 - Check the procedure code; and
 - Check to make sure the dates of service entered match the dates of service on the documentation.

Conclusion

Medicaid personal support services are designed to assist beneficiaries with activities of daily living and instrumental activities of daily living in accordance with a person-centered plan. They are optional services under a State Medicaid plan, are often combined with waiver services, and may be offered under a self-directed care model under a State plan 1915(j) waiver.

Improper payments for personal support services may occur when Medicaid funds are paid to the wrong entity, are paid in the wrong amount, are not supported by documentation or policy, or are used for services other than those identified in the person-centered plan. PERM data was analyzed to determine the root cause of errors in claims for home health services and agency-provided supplies, equipment, and appliances. The analysis identified three common types of errors: policy violations, insufficient documentation, and number-of-units error. Implementing simple, yet effective, quality controls for services, records, and claims processes would assist in eliminating most of the common errors.

Providers can play a significant role in the fight against Medicaid fraud, waste, and abuse. CMS hopes you share its commitment to eliminate payment errors and fraud, waste, and abuse in the Medicaid program. By increasing your awareness of common errors and applying remedies in your daily practice, you will help strengthen the integrity of the Medicaid program and reduce improper payments. For further information, review the toolkits about HCBS at <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS website.

Additional Resources

Links to State Medicaid agency websites are available at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/By-State.html> on the Medicaid website.

The final rule for § 1915(i) for the Medicaid Program, State Plan HCBS, 5-Year Period for Waivers, Provider Payment Reassignment, and HCBS Setting Requirements for Community First Choice and HCBS Waivers, is available at <http://www.gpo.gov/fdsys/pkg/FR-2014-01-16/pdf/2014-00487.pdf> on the Federal Register website.

Information about Medicaid HCBS is available at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Home-and-Community-Based-Services/Home-and-Community-Based-Services.html> on the Medicaid website.

Information about payment accuracy and improper payments is available at <https://www.paymentaccuracy.gov/about-improper-payments> on the Internet.

Information about the PERM program is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicaid-and-CHIP-Compliance/PERM> on the CMS website.

Information about Improper Payments for Personal Care Services is available at <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/Downloads/pcs-improperpayment-factsheet-082914.pdf> on the CMS website.

To see the electronic version of this fact sheet and the other products included in the “Home and Community-Based Services” Toolkit, visit the Medicaid Program Integrity Education page at <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS website.

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References

1 U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. (2012, March 16). MBES CBES Category of Service Line Definitions for the 64.9 Base Form, Personal Care Services. Retrieved September 10, 2015, from <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/MBES/Downloads/cms-649-base-category-service-definitions.pdf>

2 U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. (n.d.). Regulatory Requirements for Home and Community-Based Settings. Retrieved September 9, 2015, from <http://www.medicaid.gov/medicaid-chip-program-information/by-topics/long-term-services-and-supports/home-and-community-based-services/downloads/requirements-for-home-and-community-settings.pdf>

3 U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. (1999). State Medicaid Manual: Chapter 4, Services, Section 4442.3(B)(15). Retrieved September 10, 2015, from <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021927.html>

4 U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. (2012, March 16). MBES CBES Category of Service Line Definitions for the 64.9 Base Form, Personal Care Services. Retrieved September 10, 2015, from <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/MBES/Downloads/cms-649-base-category-service-definitions.pdf>

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