

Preventing Medicaid Improper Payments for Personal Care Services

Medicaid personal care services (PCS) are valuable, and the need for them is growing.[1] Medicaid improper payments for PCS are a major concern. Improper payments include any payments “made for treatments or services that were not covered by program rules, that were not medically necessary, or that were billed for but never provided,”[2] and the law mandates their recoupment.[3]

Medicaid Personal Care Services

Medicaid PCS are services furnished to eligible beneficiaries according to a State’s approved plan, waiver, or demonstration in the beneficiary’s home or at other locations.[4] PCS are optional Medicaid services, except when they are medically necessary for children who are eligible for early and periodic screening, diagnostic, and treatment (EPSDT) services.[5] PCS are categorized as a range of human assistance provided to persons with disabilities and chronic conditions to enable them to accomplish activities of daily living (ADL) or instrumental activities of daily living (IADL). These services may be furnished by a personal care attendant (PCA) who is independent or is employed by an agency. Medicaid PCS are different from home health aide services provided through the Medicaid or Medicare home health benefit. However, home health aides may perform PCS[6, 7] in the course of their duties and may report it with a higher-paying code.[8] PCS providers should contact their State Medicaid agency (SMA) for additional information.

Improper Payments for Personal Care Services

Audits of State Medicaid programs identified five common types of improper PCS payments. They are payments for:

- Claims without supporting documentation;
- Services not eligible under State Medicaid policy;
- Services furnished without required supervision;
- Services provided without State verification of PCA qualifications;[9] and
- Care provided while a beneficiary was in an institution[10] (not including payments made to a PCA to retain services or during a period in which the individual is receiving covered respite care).[11]

Another reason for improper payments in State Medicaid programs involves fraud, waste, and abuse. PCS fraud may subject a provider to State and Federal civil,[12] monetary,[13] and criminal penalties,[14] and exclusion[15] from participation in Federal health care programs like Medicaid.

The consequences of overpayments can be avoided through preventive strategies, including:

- Learning and understanding agency and applicable State Medicaid plan and waiver rules;
- Requiring mandatory attendance at State-offered trainings and reading State-provided educational materials; and
- Contacting the State for guidance when Federal and State rules are not well understood.

Reporting Fraud, Waste, and Abuse

All parties involved in providing, authorizing, supervising, and furnishing PCS are responsible to protect the quality and the integrity of the Medicaid program. Report any acts of fraud to your State Medicaid Fraud Control Unit (MFCU) or SMA. To find the MFCU or SMA contact information for any State, visit https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/FraudAbuseforConsumers/Report_Fraud_and_Suspected_Fraud.html on the Centers for Medicare & Medicaid Services (CMS) website. You may also contact the U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG) by email at HHSTips@oig.hhs.gov or by telephone at 1-800-HHS-TIPS (1-800-447-8477); TTY: 1-800-377-4950.

Resources

To see the electronic version of this fact sheet and the other products included in the “Personal Care 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.

Follow us on Twitter  [#MedicaidIntegrity](https://twitter.com/MedicaidIntegrity)

References

- 1 Paraprofessional Healthcare Institute. State Data Center. United States: Employment Projections. Retrieved June 29, 2015, from <http://phinational.org/policy/states/united-states/>
- 2 U.S. Government Accountability Office. (2012, June). National Medicaid Audit Program. CMS Should Improve Reporting and Focus on Audit Collaboration With States. (Highlights, left side, para. 1; p. 1, note 2). Retrieved June 29, 2015, from <http://www.gao.gov/assets/600/591601.pdf>
- 3 Improper Payments Elimination and Recovery Act of 2010, Pub. L. No. 111-204, 124 Stat. 2224. (2010, July 22). Retrieved June 29, 2015, from http://www.whitehouse.gov/sites/default/files/omb/financial/_improper/PL_111-204.pdf
- 4 Personal Care Services, 42 C.F.R. § 440.167. Retrieved June 29, 2015, from <http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=37ceab2f6f4bda380baff18aa5d1eab&h=L&n=42y4.0.1.1.9.1&r=SUBPART&ty=HTML#42:4.0.1.1.9.1.112.2>
- 5 Social Security Act § 1905(r)(5). Retrieved June 29, 2015, from http://www.ssa.gov/OP_Home/ssact/title19/1905.htm
- 6 Definitions, 42 C.F.R. § 441.505. Retrieved June 29, 2015, from <http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=2814af7b236ba50f81fbd2fc88e87a9b&ty=HTML&h=L&r=SECTION&n=42y4.0.1.1.10.11.112.2>
- 7 U.S. Department of Health and Human Services. Office of Inspector General. (2006, December). States’ Requirements for Medicaid-Funded Personal Care Service Attendants (p. 2). Retrieved June 29, 2015, from <http://oig.hhs.gov/oei/reports/oei-07-05-00250.pdf>
- 8 HIPAASpace. (n.d.). HCPCS 2015 Code: T1019. Retrieved June 29, 2015, from http://www.hipaaspace.com/Medical_Billing/Coding/Healthcare.Common.Procedure.Coding.System/T1019
- 9 U.S. Department of Health and Human Services. Office of Inspector General. (2011, June 7). Spotlight on ... Medicaid Personal Care Services. Retrieved June 29, 2015, from http://oig.hhs.gov/newsroom/news-releases/2011/personal_care_services.asp
- 10 Social Security Act § 1905(a)(24). Retrieved June 29, 2015, from http://www.ssa.gov/OP_Home/ssact/title19/1905.htm
- 11 U.S. Department of Health and Human Services. Office of Inspector General. (2012, November). Personal Care Services: Trends, Vulnerabilities, and Recommendations for Improvement (p. i). Retrieved June 29, 2015, from <http://oig.hhs.gov/reports-and-publications/portfolio/portfolio-12-12-01.pdf>
- 12 False Claims, 31 U.S.C. § 3729. Retrieved June 29, 2015, from [http://uscode.house.gov/view.xhtml?req=\(title:31%20section:3729%20edition:prelim\)](http://uscode.house.gov/view.xhtml?req=(title:31%20section:3729%20edition:prelim))
- 13 Social Security Act § 1128A. Civil Monetary Penalties. Retrieved June 29, 2015, from http://www.ssa.gov/OP_Home/ssact/title11/1128A.htm
- 14 False, Fictitious or Fraudulent Claims, 18 U.S.C. § 287. Retrieved June 29, 2015, from [http://uscode.house.gov/view.xhtml?req=\(title:18%20section:287%20edition:prelim\)](http://uscode.house.gov/view.xhtml?req=(title:18%20section:287%20edition:prelim))
- 15 Social Security Act § 1128. Exclusion of Certain Individuals and Entities From Participation in Medicare and State Health Care Programs. Retrieved June 29, 2015, from http://www.socialsecurity.gov/OP_Home/ssact/title11/1128.htm

Disclaimer

This fact sheet was current at the time it was published or uploaded onto the web. Medicaid and Medicare policies change frequently so links to the source documents have been provided within the document for your reference.

This fact sheet was prepared as a service to the public and is not intended to grant rights or impose obligations. This fact sheet may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. Use of this material is voluntary. Inclusion of a link does not constitute CMS endorsement of the material. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

August 2015

