Common Errors in Person-Centered Plans That Lead to Improper Payments for Home and Community-Based 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 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 on 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 providers about the major causes of payment errors and to maintain program integrity. These are the key terms used in this document:

- **Home and Community-Based Services:** includes home health care; private-duty nursing; personal support services; home-delivered meals; adult day care; durable medical equipment (DME), supplies, and home modifications; respite care; and other needed services.
- **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 (SMA) or State sister agency; Medicaid DME, supplies, and devices supplier; home modification business; or other providers of HCBS.
- **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 based on individual needs, goals, and preferences that includes HCBS.

This fact sheet summarizes common errors in person-centered plans that were identified through analysis of PERM data and that led to improper payments in HCBS. After reading this fact sheet, providers should be able to identify:

- The required elements of every person-centered plan;
- Common errors that lead to improper payments for HCBS, as identified through PERM analysis;
- Promising practices to reduce or eliminate errors;
- The importance of provider participation in reducing improper payments while continuing to provide quality care; and
- Where to go for additional resources.

Overview of Service Plan Requirements

Federal regulations require a written person-centered plan for HCBS whether services are provided through the State Medicaid Plan or through a waiver program. The use of Federal funds is not approved for HCBS waiver services that are provided without a person-centered plan.[1, 2] Some States, such as Nevada,[3, 4] Colorado,[5] and Rhode Island,[6] require a "plan of care" with physician authorization and SMA approval for home health services and a "person-centered plan" with State agency approval for personal care and other HCBS offered through waiver programs. Check with your SMA for specific forms and requirements.

Once a beneficiary's eligibility for Medicaid HCBS is determined, a comprehensive assessment of the beneficiary's physical, psychosocial, and functional needs is completed. The beneficiary and their treating physician or qualified case manager review the results and recommend a person-centered plan. Reassessments must be completed at least annually or when a beneficiary has a change in circumstances.[7]

Federal regulations require that a beneficiary's person-centered plan:

- Be established and periodically reviewed by their treating physician or qualified case manager;
- Be developed with their input and input from their treating physician, health care support professional or other appropriate professional as determined by the State, and where appropriate, their caregiver;
- Be based on the most recent comprehensive assessment of their physical, psychosocial, and functional needs;
- Take into account the extent of and need for any of their family or other supports;
- Identify the amount, duration and scope of the services they receive (or if they elect to self-direct personal support services, the services funded);
- Indicate the type of provider for each service; and
- May identify their additional service needs.[8]

States may have additional plan requirements, including reviewing the plan at more frequent intervals than Federal requirements.[9] Check with your SMA for additional requirements.

Overview of Common Errors

Improper payments for HCBS may occur when Medicaid funds are paid to the wrong provider, 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 for HCBS. The analysis identified the following common errors related to person-centered plans:

- The comprehensive assessments and reassessments were not completed in time frames required by State and Federal guidelines;
- The plan was not revised in conjunction with a significant reassessment of beneficiary service needs or within program timelines. Therefore, subsequent services authorized and performed were not changed to meet beneficiary needs;
- The plan was not reviewed and revised when a beneficiary had a change in circumstance (for example, hospitalization; change in health status);
- The plan was not in effect on the dates when services were provided;
- Physician orders and authorizations were not in effect on the dates when home health services or related DME were provided or were not included with the plan;
- The amount, duration, or scope of self-directed care included in the plan cost more than the funds allocated;
- Services provided were outside the amount, duration, or scope identified in the plan; and,
- Beneficiaries were uninformed about the amount, duration, or scope of services supported by their plan, which caused confusion between providers and beneficiaries.

Promising Practices

There are some promising practices that can be integrated into the person-centered plan development process to correct a majority of the errors found. These include implementing simple yet effective quality control measures for person-centered plans. These promising practices may include:

- Using a reminder calendar or monthly log that indicates due dates for assessments, reassessments, and plans for each beneficiary;
- Conducting a regular review of internal records to ensure that plans are complete, physician authorizations are in place where applicable, and effective dates are current;
- Conducting a regular review of the plan to identify the amount, duration, and scope of services; the professional level of the provider for each type of service; and the funds allocated;
- Instructing providers to provide the beneficiary or caregiver with a copy of the plan and having providers review it with them.[10]

Conclusion

In summary, Federal regulations require a written person-centered plan for HCBS whether services are provided through the State Medicaid Plan or through a waiver program. The use of Federal funds is not approved for HCBS waiver services that are provided without a written person-centered plan. Some States require a "plan of care" with physician authorization and SMA approval for home health services and a "person-centered plan" with State agency approval for personal care and other HCBS offered through waiver programs.

Common causes of error in HCBS related to person-centered plans include not following time frames for reassessments or review of the plan; missing or having outdated physician authorizations; providing services that were outside the amount, duration, scope, or funding allocation identified in the plan; and beneficiaries not being informed about the contents of their plan.

As a provider, your participation is important. These promising practices can be integrated into the person-centered planning process to correct a majority of the errors found: using a reminder calendar or monthly log with reassessment and plan review dates; conducting a regular review of internal records; conducting a regular review of the plan; and providing the beneficiary or caregiver with a copy of the plan and reviewing it with them.

As a provider, you 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

Information about Medicaid Home and Community-Based Services 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 PERM is available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicaid-and-CHIP-Compliance/PERM 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

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