

# PERFORMANCE AUDIT REPORT

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## The Gardens at Wyoming Valley

Costs reimbursed by the  
Pennsylvania Department of Human  
Services

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October 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DePASQUALE  
AUDITOR GENERAL

October 7, 2020

Mr. Akiva Glatzer  
The Meadows at Summit for Nursing and Rehabilitation  
d/b/a The Gardens at Wyoming Valley  
Priority Health Care Group  
99 West Hawthorne Avenue  
Valley Stream, NY 11580-6163

Dear Mr. Glatzer:

This report contains the results of the Department of the Auditor General's performance audit of The Gardens at Wyoming Valley (The Gardens) 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 was it 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 and found that it appears documentation maintained by The Gardens supported that services were rendered in accordance with applicable laws and policies. Our audit report however presents one finding and offers five recommendations for The Gardens to: 1) remediate its recordkeeping deficiencies to ensure compliance with DHS regulations and 2) to strengthen its management controls over its process for submitting claims to DHS for reimbursement, which will assist in reducing the risk of error and potential for fraud related to public funds.

Mr. Akiva Glatzer

October 7, 2020

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In closing, I want to thank The Gardens for their assistance during this audit. The Gardens is in general agreement with our finding and our recommendations, and its response, along with our auditor's conclusions, are included in this audit report. 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 flourish extending to the right.

Eugene A. DePasquale  
Auditor General

**A Performance Audit**

**The Gardens at Wyoming Valley**

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## A Performance Audit

### The Gardens at Wyoming Valley

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#### Background

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According to its website, The Gardens at Wyoming Valley (The Gardens) is a private, for-profit 120-bed nursing home and rehabilitation facility located in Wilkes-Barre, Pennsylvania that offers short-term rehabilitation, including physical therapy, occupational therapy, and speech therapy as well as long-term care services.”<sup>1</sup>

The Gardens is a Center for Medicare & Medicaid Services certified nursing facility whose legal business name is The Meadows at Summit for Nursing and Rehabilitation LLC.<sup>2</sup> Formerly owned and operated by Golden Living Homes under the name *The Golden Living Center – Summit*, the Gardens was purchased by Priority Healthcare Group (PHG) in 2017.<sup>3</sup> According to PHG’s website, it is “a leading provider of rehabilitation and skilled nursing services in Pennsylvania, Connecticut, Massachusetts, Michigan, New Jersey, and Vermont.”<sup>4</sup>

#### Long-Term Care Services

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As stated earlier, in addition to short-term rehabilitative services, The Gardens provides long-term care (LTC) nursing services to residents needing moderate to full assistance with daily living. The scope of our audit was limited to reviewing reimbursements for LTC services.

Medical Assistance (MA) is a financial resource for people who need assistance to pay for LTC services at a nursing facility. A person must be both *financially* and *medically* eligible to qualify for MA. Financial eligibility is determined by the Pennsylvania Department of Human Services’ (DHS) County Assistance Offices (CAO). Medical eligibility is determined through the respective county’s Area Agency on Aging’s (AAA) review of a medical evaluation, which is completed by the prospective MA recipient’s doctor. The AAA reports its results and decision to the CAO.<sup>5</sup> Upon meeting both the financial and medical criteria for eligibility, MA will provide for nursing facility services referred to as “room and board” and for exceptional durable medical equipment, as defined by DHS, such as wheelchairs, for those who have a medically-determined need.

The MA LTC rate of reimbursement to LTC facilities includes the cost for routine services including, but not limited to, the following:

- Regular room, dietary services, and social services.

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<sup>1</sup> <https://gardenswyoming.com/> (accessed February 12, 2020).

<sup>2</sup> <https://sais.health.pa.gov/commonpoc/Content/PublicWeb/NHInformation2.asp> (accessed May 22, 2020).

<sup>3</sup> [https://www.pennlive.com/news/2017/02/new\\_york\\_company\\_purchases\\_9\\_g.html](https://www.pennlive.com/news/2017/02/new_york_company_purchases_9_g.html) (accessed May 22, 2020).

<sup>4</sup> <https://phg-us.com/about/> (accessed March 6, 2020).

<sup>5</sup> [http://services.dpw.state.pa.us/oimpolicymanuals/ltc/LTC\\_Title\\_Page.htm](http://services.dpw.state.pa.us/oimpolicymanuals/ltc/LTC_Title_Page.htm), Pennsylvania Department of Human Services *Long-Term Care Handbook* (accessed March 26, 2020).

## A Performance Audit

### The Gardens at Wyoming Valley

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- General LTC services to meet daily living and health needs.
- Hair care services.
- Laundry services.
- Non-emergency medical transportation services.
- Location and accessibility assistance for medical services which the facility does not provide, such as dental care.
- Personal care items including a patient gown, shampoo, skin lotion, comb, brush, toothpaste, and toothbrush.<sup>6</sup>

MA coverage of nursing facility services is available only when provided at a nursing home licensed and certified by DHS as a MA-registered Nursing Facility. A participating facility must provide, or arrange for, nursing or related services and specialized rehabilitative services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident.<sup>7</sup>

### Funding

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The Gardens receives a portion of its MA LTC services funding through both the U.S. Department of Health and Human Services and DHS' Office of Long-Term Living. The Gardens submits claims to DHS on a fee-for-service basis through DHS' PROMISe™ system in accordance with federal and state regulations.<sup>8</sup> For the fiscal year ended June 30, 2018, The Gardens received MA reimbursements for LTC nursing facility services, excluding exceptional durable medical equipment, totaling \$4,956,167.<sup>9</sup>

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<sup>6</sup> *Long-Term Care Handbook*, Chapter 438.3 Services Included in the LTC Facility Medical Assistance (MA) Rate at [www.services.dpw.state.pa.us](http://www.services.dpw.state.pa.us) (accessed July 31, 2019).

<sup>7</sup> [www.medicaid.gov](http://www.medicaid.gov) (accessed February 11, 2020).

<sup>8</sup> As part of the Commonwealth's annual Single Audit, the Department of the Auditor General obtains monthly data files of MA claims from DHS, which are evaluated and tested for reliability as part of the Single Audit of the MA program. The DHS PROMISe™ system is the same source for the MA claims data evaluated during the Single Audit.

<sup>9</sup> An additional \$25,638 was reimbursed for exceptional durable medical equipment but was not included in the scope of this audit. The data was obtained from DHS.

## A Performance Audit

### The Gardens at Wyoming Valley

#### **Audit Procedures and Results – Determine whether medical services for which the costs were reimbursed by the Department of Human Services were rendered.**

The Gardens at Wyoming Valley (The Gardens) is a registered Medical Assistance (MA) services provider with the Pennsylvania Department of Human Services (DHS). To perform our testing, we obtained a file from DHS' Office of Long-Term Living listing the individual reimbursement claims approved for The Gardens during the fiscal year ended June 30, 2018.<sup>10</sup> The table below shows that The Gardens received \$4,981,805 of MA reimbursements for Long-Term Care (LTC) Nursing Facilities' services and exceptional durable medical equipment purchased for MA-enrolled residents with a determined need.

<b>The Gardens LTC Services MA Reimbursements</b> (For the Fiscal Year Ended June 30, 2018)	
<b>Service</b>	<b>Amount</b>
The Gardens – Nursing Facilities' Services	\$4,956,167
Exceptional Durable Medical Equipment	\$ 25,638
<b>Total</b>	<b>\$4,981,805</b>

*Source: Produced by Department of the Auditor General staff from information provided by the Department of Human Services.*

We limited our population to reimbursements received from DHS for LTC Nursing Facilities' services rendered consisting of 1,135 claims totaling \$4,956,167. To achieve the audit objective, we developed procedures based on our review of applicable laws and DHS regulations, both DHS and The Gardens policies, inquiries of management, and evaluations of management controls. Through a combination of random and judgmental selection procedures, we selected and tested 60 individual claims for The Gardens that DHS approved for reimbursement totaling \$221,537.

Based on the results of our audit procedures, it appears that LTC care services were rendered for all 60 claims tested. We found, however, that The Gardens had significant recordkeeping and management control deficiencies, which are further addressed in the finding within this report.

<sup>10</sup> To satisfy our audit requirements pursuant to the 2018-2019 Budget Implementation provision of the state Fiscal Code, 72 P.S. § 1715-H, we selected The Gardens and other MA providers from the DHS listing of active MA providers. We judgmentally selected to audit the Long-Term Care services provided for MA-enrolled residents of The Gardens, which received \$4,956,167, excluding exceptional durable medical equipment, during the fiscal year ended June 30, 2018.



## A Performance Audit

### The Gardens at Wyoming Valley

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**Finding – While it appears that the services for all 60 claims were rendered, we found recordkeeping issues and management control deficiencies that must be addressed.**

As part of our audit procedures, we obtained a data file for The Gardens at Wyoming Valley (The Gardens) from the Office of Long-Term Living of the Pennsylvania Department of Human Services (DHS). The data file comprised Medical Assistance (MA) claims approved for reimbursement during the fiscal year ended June 30, 2018. We found that The Gardens received nearly \$5 million in reimbursements for approximately 1,135 MA claims related to room and board costs of its MA-enrolled residents. Through a combination of random and judgmental selection procedures to ensure we selected 60 different MA-enrolled residents, we selected 60 claims totaling \$221,537 to determine whether the documentation sufficiently supported the validity of the room and board costs.

Based on the results of our audit procedures, it appears that there is adequate documentation in total to conclude that medical services for which the costs were reimbursed by DHS were rendered for all 60 claims tested. We had difficulty in obtaining adequate supporting documentation. The Gardens refused to provide census records (24-hour Summary Reports) and complete resident agreements, and was also unable to provide certain documentation for several of the claims.<sup>11</sup> These areas are further discussed later in this finding. We also identified management control deficiencies that are described later.

DHS policy requires MA providers to maintain a record of services-related documentation supporting each claim submitted to DHS for reimbursement. The Gardens' management is responsible for the design and effective operation of controls to ensure compliance with applicable laws and regulations, which includes maintaining documentation that supports each submitted claim.<sup>12</sup> DHS regulations require that MA providers:

. . . shall retain, for at least 4 years, unless otherwise specified in the provider regulations, **medical and fiscal records** that fully disclose the nature and extent of the services rendered to MA recipients and that meet the criteria established in this section and additional requirements established in the provider regulations. Providers shall make those records readily available for review and copying by State and Federal officials or their authorized agents. (Emphasis added.)<sup>13</sup>

Our results of the 60 claims we reviewed and related management control deficiencies are described below.

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<sup>11</sup> This audit was being conducted during the COVID-19 pandemic, and therefore the audit was performed remotely.

<sup>12</sup> DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

<sup>13</sup> 55 Pa. Code § 1101.51(e).

## A Performance Audit

### The Gardens at Wyoming Valley

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#### **Results of our Test Work**

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The results of the 60 claims reviewed are described within two categories: 1) Resident Agreements, and 2) Census records and Medication Administration Audit Reports.

##### **Resident Agreements**

Resident Agreements represent an ongoing contractual agreement between the resident and the facility. It is reasonable to expect that The Gardens would maintain these agreements even if they were signed decades ago since the MA-enrolled recipient was still a resident as of the service period for which reimbursement was claimed.

We found, however, that was not the case for each of the 60 MA-enrolled recipients for which we reviewed 60 claims. To complicate matters, The Gardens would not provide the complete redacted copies of each test item's Resident Agreement. Instead, The Gardens was only willing to provide the redacted first page and the signature page of each agreement.<sup>14</sup>

Based on the documents provided to us, we found the following:

- For two claims, The Gardens was unable to provide the corresponding resident agreements.
- For six claims, there were unexplained Resident Agreement discrepancies, such as missing signatures of residents or facility representatives and admission dates that did not match DHS records.
- For 52 claims, we concluded that we saw the signed Resident Agreement.

##### **Census Records and Medication Administration Audit Reports**

Long-term care facilities, such as The Gardens, typically maintain daily census records listing residents present in the facility. Accordingly, The Gardens maintains 24-Hour Summary Reports, which are completed by the clinical staff and remitted to the business office. The business office also maintains a Daily Communication spreadsheet which accounts for transfers in and out of the facility, such as admissions, departures, and stays in local hospitals.

Because of concerns expressed by The Gardens' management about time constraints in gathering and providing a selection of the 24-Hour Summary Reports for us to review for each of the 60 claims, management instead agreed to provide daily Medication Administration Audit Reports for five days in the respective claim's service period, which were judgmentally selected by us. In addition, we verified, by review of the Daily

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<sup>14</sup> The Gardens would not even provide a sample of a complete Resident Agreement.

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### The Gardens at Wyoming Valley

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Communications spreadsheet, whether recipients had been transferred in or out of the facility during the service period.

For eight claims, we found that the Medication Administration Audit Reports were missing for at least one of the five days. For each of the eight claims, the missing reports ranged from 1 to 3 of the 5 tested days. We noted that, according to the Daily Communications spreadsheet, none of the respective recipients were transferred out of the facility on the dates for which medication reports were missing. Management, however, could not explain why some of these reports were missing.

### Management Control Deficiencies

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As part of the audit, we evaluated the design and effectiveness of management controls related to our audit objective. Having an adequate internal control system assists MA providers to ensure the accuracy of its MA services claims submitted to DHS and reduces the risks of potential fraud and noncompliance with DHS regulations.

Based on our procedures, we identified the following management control deficiencies:

- Lack of documented reconciliation. Although management indicated that staff reconciles the 24-Hour Summary Reports with the Daily Communication spreadsheets, they could not provide evidence of this review. Management stated, “[t]here is no specific document that we can provide with regard to the issue.”<sup>15</sup> This reconciliation is important for ensuring the accuracy of claims submitted to DHS. Without documentation demonstrating that the reconciliations occurred, including when they occurred, who performed them, what the results were, and who verified that they were properly performed, an external independent party, such as auditors, cannot evaluate whether this management control is adequately functioning.
- Lack of policies and written procedures. Despite repeated requests, management provided no policies or written procedures related to the MA claims invoicing and reimbursement processes. Without policies and written procedures, along with appropriate training, management cannot ensure that processes are consistently and properly performed.

### Overall Conclusion

While we determined that the 60 claims reviewed appeared to be for valid services, the lack of complete documentation and identified management control deficiencies raises concerns about

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<sup>15</sup> Email from The Gardens management to DAG auditors, subject heading: “The Gardens at WV: Walkthrough Documentation Request,” dated March 12, 2020.

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noncompliance with DHS regulations *and* the heightened risk of potential fraud related to public funds.

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### Recommendations

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We recommend that The Gardens at Wyoming Valley:

1. Remediate all recordkeeping deficiencies to ensure compliance with DHS recordkeeping requirements, including:
  - a. Resident Agreements should be maintained for all residents throughout their residence at the facility.
  - b. Complete and accurate Medication Administration Audit Reports should be maintained for residents in accordance with DHS regulations, including for the four-year retention period.
2. Ensure the reconciliation between the census records and Daily Communication spreadsheets are documented with regard to who performed them, when they were performed, what the results were, and who reviewed the conclusion.
3. Develop and implement policy and written procedures governing MA services claims and reimbursement processes.
4. Begin comprehensive training for all personnel responsible for recordkeeping and invoicing and reimbursement processes on a periodic basis.
5. In future audits, fully cooperate with the auditors.

## **A Performance Audit**

### **The Gardens at Wyoming Valley**

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#### **The Gardens at Wyoming Valley's Response and Auditor's Conclusions**

We provided our draft audit procedures and results, and finding and related recommendations to The Gardens at Wyoming Valley (The Gardens) for its review. On the pages that follow, we included The Gardens' response in its entirety. Following The Gardens' response is our auditor's conclusions.

## A Performance Audit

### The Gardens at Wyoming Valley

# Audit Response from The Gardens at Wyoming Valley



September 29, 2020

Scott D. King CPA  
Assistant Director  
Bureau of Performance Audits  
302 Finance Building  
Harrisburg, PA 17120-0015

RE: The Meadows at Summit for Nursing and Rehabilitation  
d/b/a The Gardens at Wyoming Valley

Dear Mr. King,

Thank you for allowing The Meadows at Summit for Nursing and Rehabilitation d/b/a The Gardens at Wyoming ("The Gardens") the opportunity to respond to the findings and recommendations set forth in the Department's letter of September 2, 2020.


We acknowledge the audit team's patience during this process. As you are aware, the global pandemic greatly affected, and continues to affect, the long-term care industry. Throughout, the health and safety of our residents at The Gardens has remained our common concern and priority.




The Gardens appreciates the Department's findings that long-term care services were rendered for the audit sample provided and acknowledges the Department's concern regarding recordkeeping and documentation.

As noted in the draft findings, The Gardens was previously owned by Golden Living Homes and operated as The Golden Living Center – Summit until 2017. Much of the documentation sought, such as Resident Agreements, was generated prior to the current management of operations, and The Gardens acknowledges the challenge encountered in producing certain Agreements. The Gardens previously implemented a process through which completeness of Resident Agreements is verified upon admission to the facility.

With respect to the Medication Administration Audit Reports, by email dated August 10, 2020, Attorney Katherine O'Brien requested the audit numbers for the eight (8) resident items in question in order to further evaluate and reply to the information request. Unfortunately, as that information was not provided to counsel, we are unable to comment, but it is believed that the residents at issue were likely transferred to the hospital for a portion of the month.

Finally, in response to the Department's evaluation of the design and effectiveness of management controls, The Gardens has a system of checks and balances to demonstrate the work of balancing the resident daily census with the facility software, as well as a process for claim submission and the posting of payments. All staff responsible for recordkeeping, invoicing, and reimbursement processes will receive re-education regarding same.

 [gardenswyoming.com](http://gardenswyoming.com)

 570.825.3488  570.825.9423  50 N. Pennsylvania Avenue | Wilkes-Barre, PA 18701

## A Performance Audit

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The Gardens takes pride in its responsibility as a Center for Medicaid & Medicare Services ("CMS") certified nursing facility and will continue to in its effort to ensure compliance with all CMS and Pennsylvania Department of Health record keeping and document control requirements.




I trust you will find the foregoing responsive to your concerns; however, should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in cursive script that reads 'Jason Davies'.

Jason Davies  
Administrator

 [gardenswyoming.com](http://gardenswyoming.com)

 570.825.3488  570.825.9423  50 N. Pennsylvania Avenue | Wilkes-Barre, PA 18701

## A Performance Audit

### The Gardens at Wyoming Valley

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#### **Auditor's Conclusions to The Gardens at Wyoming Valley's Response**

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The Gardens at Wyoming Valley's (The Gardens) management essentially agrees with our finding, and recognizes our concerns expressed in the finding regarding the recordkeeping and documentation deficiencies. We are encouraged with management's response that it plans to provide training to all Gardens' staff responsible for Medical Assistance (MA) claim recordkeeping, invoicing, and reimbursement processes. We also urge The Gardens' management to establish written policies and procedures to ensure that processes are consistently and properly performed to ensure accuracy of MA claims submitted to the Pennsylvania Department of Human Services (DHS) for reimbursement.

We are perplexed, however, with The Gardens' statement that it could not further investigate the 11 missing Medication Administration Audit Reports (report) for eight residents because it never received the residents' *'audit numbers'* from us, which it had requested on August 10, 2020. Although its response does not define the term *'audit numbers'*, we note that The Gardens was able to use the residents' MA ID numbers for the 60 residents we selected for our review to provide 246 of the 257 reports, which included 29 of the 40 reports for these eight residents. During the audit, we provided their MA ID numbers on three separate requests. We initially requested the reports on June 6, and a second time on July 13 after we determined 11 reports were not provided. Our third and final request was sent on August 5, after The Gardens sent the exact same 29 reports for these residents that we had received in response to our initial request in June. Additionally, as stated in the finding, we found no evidence to support The Gardens' assertion that the missing reports were not available because these residents were transferred to a hospital for a portion of the months in question.

In consideration of The Gardens' response as described above, our finding and recommendations therefore remain as stated. We reiterate the importance of having strong management controls including establishing and implementing comprehensive written policies and procedures to appropriately record and maintain complete documentation for services rendered to ensure accurate MA claims are submitted to DHS for reimbursement in compliance with DHS regulations, and thereby also reducing the risk of potential fraud, waste, or abuse related to public funds.



## A Performance Audit

### The Gardens at Wyoming Valley

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#### Appendix A

#### Objective, Scope, and Methodology

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The Department of the Auditor General conducted this performance audit of The Gardens at Wyoming Valley (The Gardens) 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.<sup>16</sup> This audit was limited to the objective identified below and was not conducted, nor was it 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

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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

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The audit objective covered the period July 1, 2017, through June 30, 2018, with updates through the report date.

#### Methodology

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We selected test items using a combination of random and judgmental selection 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 The Gardens as a provider of Long-term Care Nursing Facility services for Medical Assistance (MA)-enrolled individuals to determine statutory, regulatory, and policy requirements related to our audit objective:

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<sup>16</sup> 72 P.S. §§ 402, 403, and 1715-H.

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- *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.*).<sup>17</sup>
- *Public Assistance Manual*, Part II, Title 55 of the Pennsylvania Code (55 Pa. Code § 100 *et seq.*).<sup>18</sup>
- *Medical Assistance Manual*, Part III, Title 55 of the Pennsylvania Code (55 Pa. Code § 1101 *et seq.*).<sup>19</sup>
- Met with DHS staff from the Office of Long-term Living (OLTL) to gain an understanding of the Long-term Care Nursing Facilities Services program and the services eligible for reimbursement. We also discussed how claims are submitted for services provided for 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 OLTL containing all The Gardens MA claims that DHS approved for reimbursement during the period July 1, 2017, through June 30, 2018. Our audit population consisted 1,135 nursing facility services claims, excluding exceptional durable medical equipment, totaling \$4,956,167.<sup>20</sup>
- Interviewed The Gardens' management to gain an understanding of the organization's long-term care nursing facility operations associated with our population of claims that DHS approved for reimbursement to The Gardens during the audit period.
- Selected 60 nursing facility long-term care service claims from the data file and audit population noted in the previous bullet. We selected the claims using a combination of random and judgmental procedures in order to maximize the number of individuals and service months tested.
- Developed and performed the following procedures to test the selected claims for compliance with laws and policies and to ensure management controls were operating effectively based on our understanding of The Gardens' procedures and review of example documentation:
  - Reviewed each selected claim to verify the MA-enrolled resident had DHS approval to receive MA for long-term care services during the service period.

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<sup>17</sup> [https://www.ssa.gov/OP\\_Home/ssact/title19/1900.htm](https://www.ssa.gov/OP_Home/ssact/title19/1900.htm) (accessed January 13, 2020).

<sup>18</sup> <http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/partIIIItoc.html&d=> (accessed January 13, 2020).

<sup>19</sup> <http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/chapter5221/s5221.1.html&d=reduce> (accessed January 13, 2020).

<sup>20</sup> An additional \$25,638 was reimbursed for exceptional durable medical equipment but was not included in the scope of this audit. The data was obtained from DHS.

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- Reviewed the resident's admission agreement with The Gardens for each selected claim to ensure the MA recipient had consented to The Gardens providing their long-term care needs.
- Reviewed The Gardens' Daily Communications spreadsheets and Medication Administration Audit Reports covering the service period for each selected claim to verify the daily presence of the resident. The Medication Administration Audit Report submission was certified by the nursing director of the staff who provided the service.
- Recalculated the number of service days indicated on The Gardens' service documents for each selected claim and recalculated the claim amount by multiplying the number of service days by the DHS-established reimbursement rate.
- Verified the data associated with each MA claim selected for testing from the DHS OLTL file agreed with the claim's source documents in accordance with DHS OLTL policy.

### Data Reliability

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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.

To assess the completeness and accuracy of the data file received from DHS OLTL containing individual The Gardens' 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.<sup>21</sup> Additionally, we used a combination of random and judgmental procedures to select 60 nursing facility service claims from the DHS OLTL data file and agreed the data to source documents maintained by The Gardens as described in the *Methodology* section above. We therefore concluded the DHS OLTL data file was sufficiently reliable for the purposes of this engagement.

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<sup>21</sup> 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 The Gardens, 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:

**The Honorable Tom Wolf**  
Governor

**Mr. Akiva Glatzer**

The Gardens at Wyoming Valley

**Mr. Aaron Lichtman**

Attorney

The Lichtman Law Firm

**Mr. Jason Davies**

Administrator

The Gardens at Wyoming Valley

**The Honorable Teresa D. Miller**

Secretary

Department of Human Services

**Ms. Tina Long**

Director, Bureau of Financial Operations

Department of Human Services

**Mr. Alexander Matolyak, CPA**

Director, Division of Audit and Review

Department of Human Services

**The Honorable Tom Murt**

Majority Chair

House Human Services Committee

**The Honorable Angel Cruz**

Democratic Chair

House Human Services Committee

**The Honorable Michelle Brooks**

Majority Chair

Senate Health and Human Services  
Committee

**The Honorable Arthur Haywood**

Democratic Chair

Senate Health and Human Services  
Committee

**The Honorable Pat Browne**

Majority Chair

Senate Appropriations Committee

**The Honorable Jen Swails**

Secretary of the Budget

Office of the Budget

**The Honorable Joseph M. Torsella**

State Treasurer

Pennsylvania Treasury Department

**The Honorable Josh Shapiro**

Attorney General

Office of the Attorney General

**The Honorable Michael Newsome**

Secretary of Administration

Office of Administration

**Mr. William Canfield**

Director

Bureau of Audits

Office of Comptroller Operations

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## **A Performance Audit**

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