

# PERFORMANCE AUDIT REPORT

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## Parkhouse Nursing & Rehabilitation Center

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 20, 2020

Ms. Kelli Campbell, MSA, NHA  
Administrator  
Parkhouse Nursing & Rehabilitation Center  
1600 Black Rock Road  
Royersford, PA 19468

Dear Ms. Campbell:

This report contains the results of the Department of the Auditor General's performance audit of Parkhouse Nursing & Rehabilitation Center (Parkhouse) 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 2019-2020 Budget Implementation provision of Article XVII-J, Subarticle B, Section 1715-J of the Code, 72 P.S. § 1715-J. The audit was not conducted, nor 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 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 documentation prepared by the facility's previous owner and maintained by Parkhouse supported that services were rendered in accordance with applicable laws and policies. We could not however, evaluate the adequacy of the previous owner's management controls in effect during the audit period due to the lack of documentation available for our review.

Ms. Kelli Campbell, MSA, NHA

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Our audit report presents one finding and offers three recommendations for Parkhouse to evaluate its management control system to ensure it is adequately designed and functioning effectively in order to provide reasonable assurance that claims are accurate and in compliance with DHS regulations and policies. We also recommend that management ensure controls are included in its written policies and procedures and that evidence of management's review of claims information is sufficiently documented to allow external parties, such as auditors, to verify that the review procedures were performed.

In closing, I want to thank Parkhouse for its cooperation and assistance during this audit. Parkhouse did not specifically agree or disagree with our recommendations. Parkhouse management's response along with our auditor's conclusion to its response 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 stroke at the end.

Eugene A. DePasquale  
Auditor General

**A Performance Audit**

**Parkhouse Nursing & Rehabilitation Center**

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## A Performance Audit

### Parkhouse Nursing & Rehabilitation Center

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#### Background

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Parkhouse Nursing & Rehabilitation Center (Parkhouse) is a for-profit, privately-owned nursing and rehabilitation center located in Royersford, Pennsylvania.<sup>1</sup> Parkhouse offers both short-term post-acute rehabilitation and long-term skilled nursing care.<sup>2</sup> On June 7, 1808, Parkhouse opened as a county almshouse to serve Pennsylvanians in need for charitable housing.<sup>3</sup> For 76 years, Parkhouse served as a county-run nursing home under the name of Parkhouse Providence Pointe. In 2014, Mid-Atlantic Health Care purchased Parkhouse from Montgomery County.<sup>4</sup> In 2017, Mid-Atlantic Health Care sold all of its facilities to MIMA Healthcare.<sup>5</sup> Parkhouse is currently a Bedrock Care facility. According to its website, Bedrock owns eight facilities – six located in the Philadelphia area and two in central Pennsylvania.<sup>6</sup>

According to its organizational chart, Parkhouse is overseen by a “Governing Body” which is not described further. The Parkhouse Administrator is responsible for the oversight of the Directors for the six departments at Parkhouse including: 1) Nursing; 2) Social Services; 3) Food Services; 4) Human Resources; 5) Therapeutic Recreation; and 6) Therapy Department. A third-party vendor performs the billing on behalf of Parkhouse at an off-site location.<sup>7</sup>

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#### Long-Term Care Services

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Parkhouse provides long-term care (LTC) nursing facility services to residents needing moderate to full assistance with daily living. Medical Assistance (MA) is a source for people who need assistance to pay for LTC at a nursing facility. A person must be 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 county Area Agency on Aging’s (AAA) review of a medical evaluation completed by the individual’s doctor. The AAA reports its results and decision to the CAO. Upon meeting both criteria for eligibility, MA will provide for nursing facility services referred to as “room and

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<sup>1</sup> <https://health.usnews.com/best-nursing-homes/area/pa/parkhouse-rehabilitation-nursing-center-395454> (accessed June 29, 2020).

<sup>2</sup> <https://parkhousehealth.com/services-amenities/> (accessed June 29, 2020).

<sup>3</sup> [https://www.pottsmmerc.com/news/parkhouse-upper-providence-boasts-rich--year-history/article\\_29c3c211-c6b8-5c46-863f-5b5336f3a26a.html](https://www.pottsmmerc.com/news/parkhouse-upper-providence-boasts-rich--year-history/article_29c3c211-c6b8-5c46-863f-5b5336f3a26a.html) (accessed June 29, 2020).

<sup>4</sup> Mid-Atlantic is a Maryland-based operator of skilled nursing facilities in Maryland, Pennsylvania and Delaware. [https://www.wfmz.com/news/montgomery-county-sells-nursing-home-for-41-million/article\\_0bdc8e34-be32-522d-a5d1-db78461f452e.html](https://www.wfmz.com/news/montgomery-county-sells-nursing-home-for-41-million/article_0bdc8e34-be32-522d-a5d1-db78461f452e.html) (accessed June 29, 2020).

<sup>5</sup> <https://www.inquirer.com/philly/business/phillys-largest-nursing-home-owner-sells-20170608.html> (accessed June 29, 2020).

<sup>6</sup> <https://bedrockcare.com/> (accessed August 20, 2020).

<sup>7</sup> Apex Global Solutions currently does the billing for Parkhouse. Apex Global Solutions is a “one-stop-shop” for advanced back-office and IT solutions designed with the unique and complex needs of SNF [i.e., skilled nursing facility] and LTC multi-facility owners in mind.” <https://apexglobalus.com/our-story/> (accessed May 4, 2020).

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board” and for durable medical equipment, such as wheelchairs, for those who have a medically-determined need.<sup>8</sup>

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, social services.
- General LTC services to meet daily living and health needs.
- Hair care services.
- Laundry services.
- Non-emergency medical transportation services.
- The LTC facility is required to locate 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>9</sup>

MA coverage of nursing facility services is available only when it is provided at a nursing home licensed and certified by DHS as an 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>10</sup>

## Funding

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Parkhouse 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. Parkhouse submits claims to DHS on a fee-for-service basis through DHS’ PROMIS<sup>e</sup>™ system in accordance with federal and state regulations.<sup>11</sup> For the fiscal year ended June 30, 2018, Parkhouse received MA reimbursements totaling \$22,816,175.

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<sup>8</sup> According to DHS data files, Parkhouse received no reimbursements for durable medical equipment during the audit period. All reimbursements were for room and board.

<sup>9</sup> DHS’ *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>10</sup> [www.medicaid.gov](http://www.medicaid.gov) (accessed February 11, 2020).

<sup>11</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 PROMIS<sup>e</sup>™ system is the same source for the MA claims data evaluated during the Single Audit.

## A Performance Audit

### Parkhouse Nursing & Rehabilitation Center

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

Parkhouse Nursing & Rehabilitation Center (Parkhouse) is a registered Medical Assistance (MA) services provider with the Pennsylvania Department of Human Services (DHS). In order to perform our testing, we obtained a file from DHS' Office of Long-Term Living listing the individual reimbursement claims approved for Parkhouse during the fiscal year ended June 30, 2018. The table below shows that Parkhouse received nearly \$23 million of MA reimbursements for Long-Term Care (LTC) Nursing Facilities services.<sup>12</sup>

<b>Parkhouse Nursing &amp; Rehabilitation Center LTC Services MA Reimbursements (For the Fiscal Year Ended June 30, 2018)</b>	
<b>Service</b>	<b>Amount</b>
Nursing Facilities Services	\$22,816,176
<i>Source: Produced by Department of the Auditor General staff from information provided by DHS.</i>	

Our population consisted of MA reimbursements received from DHS for LTC nursing facility services provided for MA-enrolled residents at Parkhouse. The population consisted of 6,394 claims approved by DHS during the audit period totaling almost \$23 million.<sup>13</sup>

In order to achieve the audit objective, we developed procedures based on our review of applicable laws and regulations, DHS and Parkhouse policies, inquiries of management, and evaluation of management controls. We judgmentally selected 60 individual Parkhouse claims that DHS approved for reimbursements totaling \$387,713.<sup>14</sup>

Based on the results of our audit procedures, we did not identify any exceptions that indicated Parkhouse received a payment for services that were not rendered or any issues of noncompliance with applicable laws, regulations, and policies. We could not, however, adequately evaluate Parkhouse's related management control that existed during the audit period, because Parkhouse was owned and operated by a different company and necessary documentation was not provided. We did find during our audit procedures that Parkhouse lacked

<sup>12</sup> Nursing facilities services are limited to MA-enrolled residents' room and board.

<sup>13</sup> To satisfy our audit requirements pursuant to the 2019-2020 Budget Implementation provision of the state Fiscal Code, 72 P.S. §1715-J, we selected Parkhouse and other MA providers from the DHS listing of active Medical Assistance providers. For Parkhouse, we judgmentally selected to audit the Long-Term Care services provided for MA-enrolled residents of Parkhouse.

<sup>14</sup> Using professional judgment, we selected 60 nursing facility long-term care service claims to maximize the number of individuals and service months tested.



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evidence of any supervisory review of service documentation. These areas are addressed in the finding within this audit report.

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**Finding – Although we concluded that services were rendered for the claims submitted to DHS, we could not evaluate the adequacy of the previous owner’s management controls in effect during the audit period.**

The Pennsylvania Department of Human Services (DHS) reimburses registered Medical Assistance (MA) providers for eligible services provided to MA-enrolled individuals. MA providers submit claims for reimbursement to DHS for services rendered. Our audit focused on DHS-approved MA reimbursements for long term care (LTC) services provided at the Parkhouse Nursing & Rehabilitation Center (Parkhouse) in Royersford, Pennsylvania.

During the planning phase of our audit, Parkhouse management informed us that the facility’s ownership had changed between the end of the audit period and the beginning of our audit process. Furthermore, current Parkhouse management uses a different billing company to process MA claims for reimbursement from DHS than the previous owners used during the audit period. Also, a new administrator had been hired only days before our initial audit meeting and was not familiar with the previous owners’ management and operation of the facility. As a result, this hindered our ability to obtain certain information and documents from the audit period. Specifically, we were unable to obtain the following:

- Policies and written procedures for conducting a daily census.<sup>15</sup>
- Policies and written procedures for processing LTC claims.
- A response to a fraud risk assessment questionnaire.

Despite not obtaining these documents, current Parkhouse management was able to obtain from the previous owners the claims documentation, including the DHS authorization forms, signed resident agreements, and census records, for each of the 60 MA claims we tested, which totaled \$387,713 in MA reimbursements. The previous owners had maintained this documentation to support the MA claims submitted to DHS during the audit period, as required by DHS regulations.<sup>16</sup> Although our review found that each claim was properly supported to indicate that the services were rendered, we found no evidence of a supervisor’s review on the service documents provided. Without a supervisory review, there is an increased risk that the claims information may not be accurate. Additionally, without a documented review, external entities, such as auditors, cannot verify that a supervisory review occurred.

Without having the policies and written procedures to review as described above, we could not evaluate the design and effective operation of Parkhouse’s management controls during the audit period to ensure compliance with the applicable DHS regulations and policies governing MA reimbursements to providers. For example, we could not even determine whether management

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<sup>15</sup> In order to ensure the safety and accountability of its residents, Parkhouse conducts a real time census for all residents that is completed as changes occur and is validated the morning of each business day.

<sup>16</sup> 55 Pa. Code § 1101.51(e).

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had a formal process for conducting a supervisory review because we could not obtain and review the related policies and written procedures. It is absolutely essential that Parkhouse fulfills its important responsibility to have an adequate system of management controls, including a management review process to ensure that claims submitted are accurate, documentation of the supervisory review process in order to provide accountability, and written policies and procedures in order to provide assurance that the management controls are consistently performed as intended.

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### **Recommendations**

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We recommend that Parkhouse:

1. Evaluate its current system of management controls to determine whether it is adequately designed and functioning effectively to provide reasonable assurance that the claims submitted to DHS for reimbursement are accurate and in compliance with DHS regulations and policies.
2. Make any improvements considered to be necessary after the assessment described in recommendation #1 is performed.
3. Ensure that management controls are documented in written policies and procedures and that evidence of management review of claims information is sufficiently documented to allow external parties, such as auditors, to verify that the review procedures were performed.

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#### **Parkhouse Nursing & Rehabilitation Center's Response and Auditor's Conclusions**

We provided our draft audit procedures and results, and finding and related recommendations to Parkhouse Nursing & Rehabilitation Center (Parkhouse) for its review. On the pages that follow, we included Parkhouse's response in its entirety. Following Parkhouse's response is our auditor's conclusion.

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## Audit Response from Parkhouse Nursing & Rehabilitation Center



# Parkhouse Nursing & Rehabilitation Center

A Bedrock Care Facility

Thomas Harding  
Bureau of Performance Audits  
Pennsylvania Department of the Auditor General  
Phone: (717) 787-2150  
Email: tharding@PaAuditor.gov

Dear Mr. Harding,

This letter is in response to the draft audit report issued by the Pennsylvania Department of the Auditor General Bureau of Performance Audits on September 29, 2020. Your department indicated that I would have the opportunity to respond to the findings contained in the draft audit report. Specifically, the draft audit report states that the facility did not provide three requested items. Please see below for the facility's responses.

1. The draft audit report states that the facility did not provide the auditors with "Policies and written procedures for conducting a daily census." In fact, I did send these written policies and procedures via email on September 1, 2020. For convenience, I have also attached these policies again to this email correspondence.

2. The draft audit report states that the facility did not provide the auditors with "Policies for written procedures of processing LTC claims." As was communicated to the auditors a number of times, the current Bedrock management team did not service the facility during the audit period and Bedrock also never contracted with the previous manager's third-party billing company. Bedrock only began to manage the facility only after the audit period. Consequently, Bedrock has no access to the policies and procedures for processing LTC claims for the audit period, as only the previous manager has access to those materials. Please note, however, that Bedrock as a company stands by its policies and procedures. Bedrock works hand in hand with Apex Global Solutions, a highly regarded and robust third party billing company Apex conducts all necessary reviews to ensure that claims submitted are accurate and their system is designed to ensure that claims submitted to the DHS for reimbursement are accurate and in compliance with DHS rules and regulations.

3. The draft audit report states that the facility did not provide the auditors with "A response to a fraud risk assessment questionnaire." In fact, in response to this specific request I sent via email our Healthcare Academy in-service, which serves as the facility's fraud education. For convenience, I have also attached it to this email. In addition, as was requested in the audit, I also sent the auditors a statement indicating that the facility has zero knowledge of any open fraud investigations.

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### **Parkhouse Nursing & Rehabilitation Center**

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I hope that what I have outlined above will clear up some of the misunderstandings. Please feel free to reach out to me directly with any questions and further requests for information.

Very truly yours,

A handwritten signature in cursive script that reads "Kelli Campbell".

Kelli Campbell MSA, NHA

Administrator

Parkhouse Nursing & Rehab

1600 Black Rock Rd.

Royersford, PA 19468

[kcampbell@parkhousehealth.com](mailto:kcampbell@parkhousehealth.com)

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#### Auditor's Conclusion to Parkhouse Nursing & Rehabilitation Center's Response

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Parkhouse Nursing & Rehabilitation Center (Parkhouse) management did not specifically agree or disagree in its response to our finding recommendations. Instead, it addressed the facts presented in the finding that certain documents were not provided during the audit, which prevented us from evaluating the effectiveness of management controls in place during the audit period. While management agreed that it could not provide policies and written procedures for processing Long-Term Care (LTC) claims, it contends that policies and procedures for conducting the daily census and a response to our fraud questionnaire were provided. We provide further clarification about the documentation provided as follows.

We agree that management provided two different census policy and procedures documents; however, neither represented the policy and procedures in place and applicable to the LTC claims that the Pennsylvania Department of Human Services (DHS) approved for reimbursement during the audit period. **One** of the census policy and procedures documents provided was the procedures currently in use by management, which did not take ownership of the facility until *after* the audit period. The **second** document represented the policy and procedures of the company that sold the facility *before* the audit period. We, therefore, could not evaluate management controls in effect during our audit period as we stated in our finding.

The **third** item referenced in management's response is a questionnaire we use for every audit engagement to assess and consider the risk of fraud. As an alternative to responding to the specific eight questions on the form, Parkhouse management provided a one-page agenda/description from a fraud training course which was not sufficient to satisfy our assessment of fraud risk. As a final measure, we asked and management replied to one question via email that it was not aware of any investigations or allegations of fraud related to the previous owners. However, the document provided along with management's emailed reply still does not satisfy the information requested on the fraud questionnaire.

In conclusion, our finding and recommendations remain as stated.

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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 Parkhouse Nursing & Rehabilitation Center (Parkhouse) under the authority of Sections 402 and 403 of The Fiscal Code (Code), 72 P.S. §§ 402 and 403, and in accordance with the 2019-2020 Budget Implementation provision of Article XVII-J, Subarticle B, Section 1715-J of the Code.<sup>17</sup> This audit was limited to the objective identified below and was not conducted, nor 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 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 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 Parkhouse as a provider of Long-Term Care (LTC) Nursing Facility services for Medical Assistance (MA)-enrolled individuals to determine statutory, regulatory, and policy requirements related to our audit objective:
  - *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>18</sup>

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<sup>17</sup> 72 P.S. §§ 402, 403, and 1715-J.

<sup>18</sup> [https://www.ssa.gov/OP\\_Home/ssact/title19/1900.htm](https://www.ssa.gov/OP_Home/ssact/title19/1900.htm) (accessed May 4, 2020).



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- *Public Assistance Manual*, Part II, Title 55 of the Pennsylvania Code (55 Pa. Code § 100 *et seq.*).<sup>19</sup>
- *Medical Assistance Manual*, Part III, Title 55 of the Pennsylvania Code (55 Pa. Code § 1101 *et seq.*).<sup>20</sup>
- Interviewed Parkhouse management to gain an understanding of the organization’s LTC nursing facility operations associated with our population of claims that DHS approved for reimbursement to Parkhouse during the audit period.
- Requested written policies and procedures used by the prior facility-owner’s management for documenting the LTC services provided that were associated with the MA claims DHS approved during our audit period so that we could identify controls and develop our procedures to determine if the controls were adequately designed and operated effectively. Current Parkhouse management however, could not provide these policies and procedures. See the *Finding* in our report for additional information. Alternately, we performed the following:
  - Reviewed the current Parkhouse management’s written procedures put in place after our audit period for documenting the LTC services provided in order to gain an understanding of management controls designed to ensure the accuracy of the service descriptions that support Parkhouse’s MA reimbursement claims submitted to DHS.
  - Reviewed written procedures for a previous facility owner that were in place prior to our audit period for documenting the LTC services provided in order to gain an understanding of management controls designed to ensure the accuracy of the service descriptions that support Parkhouse’s MA reimbursement claims submitted to DHS.
- Met with DHS staff from the Office of Long-term Living (OLTL) to gain an understanding of the LTC 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 Parkhouse MA LTC claims that DHS approved for reimbursement during the period July 1, 2017 through June 30, 2018, totaling 6,394 claims for \$22,816,176. We limited our review to 60 nursing facility services claims.

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<sup>19</sup> <http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/partIIItoc.html&d=> (accessed May 4, 2020).

<sup>20</sup> <http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/chapter5221/s5221.1.html&d=reduce> (accessed May 4, 2020).

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- Judgmentally selected 60 nursing facility LTC service claims from the data file totaling \$387,713, 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 determine whether management controls were operating effectively based on our understanding of Parkhouse’s procedures and review of example documentation:
  - Confirmed the MA-enrolled resident had DHS approval to receive MA for LTC services during the service period associated with each selected claim.
  - Reviewed the resident’s agreement with Parkhouse for each selected claim to ensure the MA recipients had consented to Parkhouse providing their LTC needs.
  - Reviewed Parkhouse’s census reports and 24-hour summary reports covering the service period for each selected claim to verify that the nursing supervisor validated the daily presence of the resident.
  - Agreed the number of service days indicated on Parkhouse’s service documents for each selected claim to the amount used to calculate the claims’ reimbursement amounts.
  - Recalculated the claim amounts by multiplying the number of service days by the DHS-established reimbursement rate applicable to the service periods.
  - Verified that 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 of DHS-approved MA claims summarized by MA provider and federal account code for the period July 1, 2017 through June 30, 2018, BITA reconciled the data file to DHS data provided and evaluated as part of the Commonwealth’s Single Audit for the fiscal year ended June 30, 2018 conducted by the Department of the Auditor General jointly with a certified public

## A Performance Audit

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accounting firm.<sup>21</sup> Based on the procedures performed, we concluded the data to be sufficiently reliable for the purposes of selecting MA providers to audit, including Parkhouse.

- To assess the completeness and accuracy of the data file received from DHS OLTL containing individual Parkhouse's 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>22</sup> Additionally, we judgmentally selected 60 nursing facility service claims from the DHS OLTL data file and agreed the data to source documents maintained by Parkhouse 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> <https://www.budget.pa.gov/PublicationsAndReports/Documents/SingleAuditReports/june-30-2018-single-audit-report.pdf> (accessed May 4, 2020).

<sup>22</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 Parkhouse, 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

**Ms. Kelli Campbell**  
Administrator  
Parkhouse Nursing & Rehabilitation Center

**Mr. Jacob Zahler**  
Chief Executive Officer  
Bedrock Care Group

**Mr. John Fredericks**  
Regional Director of Operations  
Bedrock Care Group

**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

## **A Performance Audit**

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**Ms. Mary Spila**

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