

PERFORMANCE AUDIT REPORT

PathWays of Southwestern Pennsylvania, Inc.

Costs reimbursed by the
Pennsylvania Department of
Human Services

January 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

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TIMOTHY L. DEFOOR
AUDITOR GENERAL

January 4, 2023

Mr. Edward J. Yongo
Chief Executive Officer and Board Member
PathWays of Southwestern Pennsylvania, Inc.
95 West Beau Street, Suite 420
Washington, PA 15301

Dear Mr. Yongo:

This report contains the results of the Department of the Auditor General's performance audit of PathWays of Southwestern Pennsylvania, Inc. (PathWays) 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), and in accordance with the 2020-2021 Budget Implementation provision of Article XVII-L, Subarticle B, Section 1715-L of the Code, 72 P.S. § 1715-L. This audit was not, 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, 2020, through June 30, 2021, 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 maintained by PathWays supported that services were rendered in accordance with applicable laws and policies, with two exceptions. PathWays could not locate supporting documentation for the services associated with two claims, for which PathWays received a total of \$327 in reimbursements from DHS. Because the services could not be substantiated, PathWays returned those funds to DHS, as described in the finding included in this report. We additionally confirmed the reasonableness of PathWays' administrative fees approved for reimbursement.

Mr. Edward J. Yongo

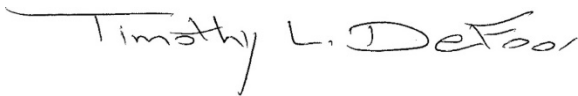
January 4, 2023

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Our audit report presents one finding and offers three recommendations to ensure PathWays maintains supporting documentation for the services it provides and submits claims to DHS for reimbursement. PathWays management agreed with our finding and recommendations, as indicated in its response which is included in this audit report. We reserve the right to follow up at an appropriate time to determine whether and to what extent our recommendations have been implemented.

In closing, I want to thank PathWays for its cooperation and assistance during this audit.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive, flowing style with a horizontal line extending from the start of the name.

Timothy L. DeFoor
Auditor General

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PathWays of Southwestern Pennsylvania, Inc.

Introduction and Background

PathWays of Southwestern Pennsylvania, Inc. (PathWays), originally established in 1964 as United Cerebral Palsy of Washington County, provides services to more than 1,600 families that have children or adult members with physical and/or intellectual and developmental disabilities (IDD).¹ PathWays is a nonprofit and a 501(c)(3) organization governed by a volunteer Board of Directors and its Chief Executive Officer (CEO). The CEO manages daily operations performed by approximately 1,400 employees that administer services for individuals living in Allegheny, Fayette, Greene, Lawrence, Washington, and Westmoreland counties.²

PathWays offers services for children and adults. Children Services include an early intervention program, early learning center program, and skilled nursing care at a specialized pediatric childcare center. Adult Services are provided through residential and adult training facility programs.³ Children and adults may participate in PathWays' three Community Services programs that offer individuals the opportunity for meaningful experiences within their communities. These programs include Agency With Choice (AWC) and certain therapies.⁴ Our audit focused on IDD services PathWays provided through its AWC program, which the Pennsylvania Department of Human Services (DHS) approved for Medical Assistance (MA) reimbursements during the period July 1, 2020, through June 30, 2021.

Agency With Choice Program

DHS established the AWC provider services model in 2008. This model requires MA providers and the individuals, or the individuals' primary caregivers, to act as co-employers for Support Service Professionals (SSP) who perform the IDD services for the individuals.⁵ The individual, or individual's primary caregiver, is referred to as the Managing Employer (ME). The ME, which is a non-paid position, selects the SSP, sets their hourly rate, and works directly with them to coordinate service schedules, while the MA provider performs the administrative functions related to the services provided.

The MA provider vets selected SSPs, who may not provide services until they satisfactorily complete criminal background checks and required trainings. After services begin, the MA providers ensure compliance with applicable DHS policies, submit claims to receive MA

¹ <https://yourpathways.org/about-us/our-journey/> (accessed August 8, 2022).

² <https://yourpathways.org/who-we-are/executive/> (accessed October 6, 2022); <https://yourpathways.org/our-services-near-you/> (accessed October 6, 2022).

³ www.yourpathways.org/adult/ (accessed September 27, 2022).

⁴ www.yourpathways.org/community/ (accessed September 27, 2022).

⁵ ODP Bulletin 00-08-08, Agency With Choice Financial Management Services, effective July 1, 2008, and replacement ODP Bulletin 00-02-04, Participant-Directed Services: Agency With Choice Financial Management Services Model, effective December 16, 2020.

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reimbursement payments for the services SSPs have rendered, and pay the SSPs' wages. MA providers also receive an administrative fee based on the number of individuals served each month through the AWC model.

PathWays' AWC program allows individuals and/or their families to self-direct their services. This program provides greater choice and control over all aspects of service delivery, such as the time and place where services are provided. DHS authorizes IDD services for MA-enrolled individuals according to their Individual Support Plans (ISP).⁶ When individuals become AWC program participants, PathWays ensures they receive the services authorized on their ISPs and submits MA claims to DHS for reimbursement at DHS-established rates for those services.

PathWays' AWC program offers the following services:

In Home & Community Supports

Services that assist individuals with learning to live successfully in home and community-based settings, while helping them acquire, maintain, and improve the skills necessary to live independently.⁷

Respite

A service that provides a short-term solution for individuals living in private homes. Staff provide care when the primary caretaker is absent or in need of relief.⁸

Homemaker/Chore

Services that enable the individual or family member(s) or friend(s) with whom the individual resides to maintain their primary private home. Chore services consist of anything needed to maintain the home in a clean, sanitary, and safe condition, such as washing floors, windows, and walls, and yard maintenance tasks.⁹

Supported Employment

Services that help individuals find and maintain competitive employment in their community. Services may focus on training, job development, coordination of accommodations, availability of assistive technology, and sustaining employment.¹⁰

⁶ An ISP is developed for individuals with developmental disabilities to document their personal preferences, dreams and wishes, medical history, and other information meant to be used by everyone involved in the individuals' network of support so services can be structured to meet the individuals' needs based on their own choices. The ISP is updated annually or sooner if the individuals' circumstances/preferences change.; <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS%20AND%20PUBS%20ODP/Attachment%201%20-%20ISP%20Manual.pdf> (accessed March 23, 2022).

⁷ <https://yourawc.org/in-home-community-supports/> (accessed August 23, 2022).

⁸ <https://yourawc.org/respite/> (accessed August 23, 2022).

⁹ <https://yourawc.org/homemaker-chore/> (accessed August 23, 2022).

¹⁰ <https://yourawc.org/supported-employment/> (accessed August 23, 2022).

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Companion Services

Services involve supervision and assistance that ensure the individual's health, safety, and welfare, and are often used when a habilitative outcome is not appropriate or feasible. They can also support the individual's care needs while working at a job.¹¹

Vendor Services

Services that provide additional assistance and supplies to make it easier for individuals to live and work independently. For example, vendors may be used to install accessibility adaptations to a residence or vehicle, or to provide dependable transportation that supports an individual's employment.¹²

PathWays' AWC program served approximately 600 individuals and provided payroll and other administrative services for approximately 1,000 SSPs as of March 2022.

Electronic Visit Verification System

The federal 21st Century Cures Act (Cures Act) mandated that all states require MA-funded personal care services (PCS) providers, which includes AWC program providers such as PathWays, to use an electronic visit verification (EVV) system to manage PCS provided in-home and in the community.¹³ This requirement became effective on January 1, 2021.¹⁴ PathWays implemented its EVV system and transitioned from hard copy service notes and timesheets throughout 2020.

The Cures Act requires the EVV systems to collect and verify the following six elements:

1. Type of service provided
2. Name of the individual receiving the service
3. Date of the service
4. Location of the service delivery
5. Name of the individual providing the service
6. Time the service begins and ends.¹⁵

¹¹ <https://yourawc.org/companion-services/> (accessed August 23, 2022).

¹² <https://yourawc.org/vendor-services/> (accessed August 23, 2022).

¹³ DHS MA Bulletin 05-20-03, Electronic Visit Verification for Personal Care Services Provided in the Fee-for-Service Delivery System, effective September 1, 2020.

¹⁴ Ibid.; The Cures Act required implementation of EVV by January 1, 2019; however, the Centers for Medicare & Medicaid Services (CMS) provided an extension for all states until January 1, 2020. Later, DHS applied for and received a Good Faith Effort Exemption from CMS to further extend implementation until January 1, 2021.

¹⁵ DHS MA Bulletin 05-20-03, Electronic Visit Verification for Personal Care Services Provided in the Fee-for-Service Delivery System, effective September 1, 2020.

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DHS gave MA providers the option to use a DHS-provided EVV system at no cost or an alternate EVV vendor/system that captured the required elements listed above.¹⁶ PathWays selected CellTrak as an alternate EVV system, which DHS approved after successfully testing its functionality. In addition to the required elements, PathWays uses CellTrak to capture SSP payroll data.

Funding

PathWays receives most of the funding for these IDD services through the Center for Medicare & Medicaid Services within the U.S. Department of Health and Human Services and DHS' Office of Developmental Programs. Through the MA Home and Community-Based Services (HCBS) waiver program authorized by the Social Security Act of 1935, a state may offer a multitude of HCBS that allow MA recipients to remain in the community and avoid becoming institutionalized.¹⁷ A state may design its waiver program to meet the needs of its targeted population.¹⁸ PathWays participates in Pennsylvania's waiver program and submits claims for reimbursement on a fee-for-service basis through the DHS PROMIS^e™ system pursuant to federal and state regulations.¹⁹

For the fiscal year ended June 30, 2021, PathWays received approximately \$18.7 million for services provided to MA-enrolled AWC program participants.

¹⁶ Ibid.

¹⁷ Social Security Act of 1935, 42 U.S.C. § 1915(c) which was transferred to and re-codified at 42 U.S.C. § 1396n(c).

¹⁸ <https://www.dhs.pa.gov/HealthChoices/HC-Services/Documents/CHC-1915cWaiver.pdf> (accessed October 7, 2022).

¹⁹ PROMIS^e™ is the Provider Reimbursement and Operations Management Information System in an electronic format. It is DHS' claims processing and management information system that incorporates the claims processing and information activities of the following DHS program areas: Office of Medical Assistance Programs; Office of Developmental Programs; Office of Mental Health and Substance Abuse Services; Office of Long-Term Living; Special Pharmaceutical Benefits Program; and Healthy Beginnings Plus.
https://www.dhs.pa.gov/providers/PROMISe_Guides/Documents/837%20Professional%20CMS%201500%20Claim%20Form.pdf (accessed October 7, 2022).

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

PathWays of Southwestern Pennsylvania, Inc. (PathWays) is registered with the Pennsylvania Department of Human Services (DHS) to provide Medical Assistance (MA) services for MA-enrolled individuals with intellectual disabilities (individuals). Our audit focused on PathWays services administered through its Agency With Choice (AWC) program, as noted in the *Introduction and Background* section of this report.²⁰ In order to perform our testing, we obtained a DHS file of individual MA claims it approved for reimbursement to PathWays during the fiscal year ended June 30, 2021. The table below shows the MA funding approved for PathWays services provided to individuals through its AWC program.²¹

PathWays of Southwestern Pennsylvania MA Funding – AWC Program (For the Fiscal Year Ended June 30, 2021)		
AWC Program Funding	Amount	Percent of Total
Service Reimbursements	\$ 17,415,796	92.4%
Administrative Fees ^{a/}	\$ 1,326,683	7.0%
Base Funding ^{b/}	\$ 105,529	0.6%
Total	\$ 18,848,008	100.0%
^{a/} - As described in the <i>Introduction and Background</i> section, AWC program providers receive a monthly administrative fee for each individual who receives at least one AWC program service during that month. ²²		
^{b/} - A small amount of state funds that DHS allocates to county mental health services offices which can be used at the counties' discretion.		

Source: Produced by Department of the Auditor General staff from information provided by DHS.

²⁰ To satisfy our audit requirements pursuant to The Fiscal Code, 72 P.S. §§ 402 and 403 (as well as the 2020-2021 Budget Implementation provision), we selected PathWays and other MA providers from the DHS listing of active MA providers.

²¹ In accordance with the applicable DHS Office of Developmental Programs (ODP) Bulletins, PathWays offers services and supports to individuals with intellectual disabilities using the AWC program model, which operates as a partnership between PathWays and the individuals. It is designed to encourage individuals and families to be directly involved with the delivery of the needed services, including the selection of who provides the services and when they are scheduled. PathWays fulfills the administrative functions required to authorize the selected direct care provider and process their pay. See ODP Bulletin 00-08-08, Agency With Choice Financial Management Services, effective July 1, 2008, and replacement ODP Bulletin 00-02-04, Participant-Directed Services: Agency With Choice Financial Management Services Model, effective December 16, 2020.

²² DHS Reimbursement Fee Schedule: Agency with Choice Financial Management Services, Excluding Benefit Allowance Effective July 1, 2019; [https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Current%20Rates%20ODP%20Fee%20Schedule%20Rate%20Tables%20and%20Assumption%20Logs%20Effective%20Starting%20July%202017/Fee%20Schedule%20Table%CB%90%20Agency%20with%20Choice%20Financial%20Management%20Services,%20Excluding%20Benefits%20%20\(c_290958\).pdf](https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Current%20Rates%20ODP%20Fee%20Schedule%20Rate%20Tables%20and%20Assumption%20Logs%20Effective%20Starting%20July%202017/Fee%20Schedule%20Table%CB%90%20Agency%20with%20Choice%20Financial%20Management%20Services,%20Excluding%20Benefits%20%20(c_290958).pdf) (accessed April 5, 2022).

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Of the \$18,848,008 in DHS-approved reimbursements to PathWays, we limited our population to non-adjustment transactions for AWC services provided to individuals in their home or community, administered through PathWays' Washington office located in Washington County. This population consisted of 111,770 transactions totaling \$17,503,965.²³ We also confirmed the reasonableness of PathWays' administrative fees approved for reimbursement.

To satisfy our audit objective of ensuring services that PathWays submitted for reimbursement were rendered, we reviewed laws, DHS regulations, and all relevant policies to understand the AWC program requirements and interviewed PathWays' management to identify the organization's applicable policies and procedures in place during the audit period. We also evaluated PathWays' internal controls that management implemented to ensure the accuracy of its service documentation and MA claims, as well as compliance with DHS regulations.

We developed audit procedures based on our assessment of applicable requirements and PathWays' processes to document its AWC program services and submit claims for reimbursement from DHS. We judgmentally selected 60 claims, totaling \$22,245 from the population noted above, and reviewed the associated AWC program services documentation PathWays maintained to support the resulting MA reimbursement claims.²⁴ We designed procedures to verify that:

- MA claim information from the DHS data file agreed with PathWays service documentation maintained to support each claim submitted for reimbursement.
- DHS pre-authorized the AWC program services provided as documented on the Individual Support Plans (ISP) for the MA-enrolled individuals, as required by DHS.²⁵

²³ The population total is \$88,169 greater than the Service Reimbursements amount in the table due to the net effect of 2,892 adjustment transactions processed during the period.

²⁴ Each MA claim includes a recipient identification number, ICN number, a procedure code, date of service, service duration calculated as service units (one unit equals a full 15 minutes of service). The DHS data file indicated that PathWays submitted claims for 17 different procedure codes (service types) eligible for reimbursement under the DHS Agency With Choice model. We judgmentally grouped the population of 111,770 claims into 5 different categories of similar services. These categories represented between less than 1% and more than 81% of the total number of claims. We prorated our selection of 60 claims to test using these percentages to ensure appropriate coverage of each category and ensured the selected claims involved different individuals. We also judgmentally selected our test items by date to ensure coverage of the claims approved throughout the audit period.

²⁵ ISPs are developed for individuals with intellectual and developmental disabilities to document their personal preferences, dreams and wishes, medical history, and other information meant to be used by everyone involved in the individuals' network of support so services can be structured to meet the individuals' needs based on their own choices. ISPs are updated annually or sooner if the individuals' circumstances/preferences change.; <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS%20AND%20PUBS%20ODP/Attachment%201%20-%20ISP%20Manual.pdf> (accessed March 23, 2022).

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- PathWays services documentation sufficiently supported the MA reimbursement claims, as required by DHS policies and MA regulations.²⁶
- PathWays' internal controls operated effectively to ensure it maintained accurate and complete AWC program services documentation, including:
 - Manual/Electronic Support Service Professionals' (SSP) signatures on service documentation
 - Managing Employer (ME) confirmations of vendor-provided services
 - ME signatures on transportation-related service documentation verifying SSPs accompanied individuals on trips into the community
 - PathWays staff approvals of hardcopy service documents
- PathWays authorized the SSP to provide AWC program services for the individuals prior to the service dates.
- PathWays' support staff approved the service notes associated with 16 of our 60 claims, which had been selected for review by Pathways as part of its internal audit process. This process requires staff to review 25 percent of the services notes received each day.

Based on the results of our audit procedures, we determined that 58 of the 60 claims tested were supported by the required service documentation indicating that services were rendered.

PathWays' management, however, could not locate service documentation for two claims.

Consequently, we could not determine whether the services were rendered for those claims, for which DHS reimbursed PathWays \$327, as described in the finding presented in this report.

²⁶ PathWays relies on an electronic visit verification (EVV) system to document services provided through its Agency With Choice program. SSPs document the services using the EVV system's mobile application downloaded to a cell phone (see the *Introduction and Background* section of this report). The information entered uploads automatically to PathWays' record keeping system, where it is maintained as the service notes to substantiate PathWays' claims for reimbursement. SSPs unable to use the cell phone application use a landline phone system to record the service start and end times and must prepare hardcopy service notes with all required information to submit to PathWays. Staff select and review 25% of all service notes submitted each day for accuracy and completeness. PathWays electronically transmits claims to DHS for reimbursement based on the service information collected.

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Finding – PathWays management could not locate documentation to substantiate the services associated with two Medical Assistance claims, requiring a \$327 refund of reimbursements.

The Pennsylvania Department of Human Services (DHS) approved more than 111,000 claims submitted by PathWays of Southwestern Pennsylvania, Inc. (PathWays) which totaled more than \$17.5 million in reimbursements for Medical Assistance (MA) services provided through its Agency With Choice (AWC) program during the fiscal year ended June 30, 2021.²⁷ We selected 60 of these claims, totaling \$22,245, for review from a data file provided by DHS which listed PathWays' claims that DHS approved during the fiscal year ended June 30, 2021.²⁸ PathWays management, however, could not locate service documents (service notes) for 2 of the 60 claims selected. These two claims, which each totaled \$163.44, were for nine hours of companion services provided by a PathWays' Support Service Professional (SSP). Without service notes that describe the details of the services provided, we could not verify PathWays provided these services.

PathWays management stated that it electronically maintains service notes that the SSPs create to document the services provided and support its MA claims. SSPs submit most service notes using PathWays' Electronic Visit Verification (EVV) mobile application; therefore, a hard copy service note does not exist.²⁹ There are circumstances, however, when SSPs cannot use the EVV application to report the services rendered and must instead prepare hard copy service notes. In these situations, the SSP either delivers the hard copies to PathWays' office where staff convert them to electronic files, or the SSP emails PathWays a photo or scanned copy of the service note to a designated email address.

Once obtained, PathWays staff are to save each electronic service note to a specific file location created to store the AWC services information by individual. This was the case for the two claims in question. PathWays management believes these were isolated incidents and speculated that a staff member mistakenly saved the files to an incorrect file location for these two claims and then could not locate the files. We noted that the SSPs submitted hard copy service notes for 12 of the 60 claims selected for review; however, no issues were found for the other 10 claims.

State regulations require MA providers, such as PathWays, to submit accurate and timely claims to DHS for reimbursement and retain service notes for four years that contain specific information about the services provided.³⁰ The service notes must document details of when,

²⁷ Our audit focused on services PathWays provided through its AWC program. See a description of the AWC program in the *Introduction and Background* section of this report.

²⁸ This population excluded 2,878 transactions totaling (\$88,169) that PathWays processed to adjust previously submitted claims.

²⁹ See a description of PathWays' EVV system in the *Introduction and Background* section of this report.

³⁰ 55 Pa. Code § 1101.68(b) (pertaining to Invoicing for services – i.e., Time frame); 55 Pa. Code § 1101.51(e) (pertaining to Record keeping requirements and onsite access).

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where, what, and how long each service was provided.³¹ PathWays must maintain service notes to substantiate the services for which it received reimbursements from DHS.³² Funds would need to be returned to DHS for any MA reimbursements received if the services provided cannot be substantiated with accurate service notes.³³ PathWays returned \$327 to DHS on September 6, 2022, for the reimbursement amounts received for the two unsubstantiated claims we found and questioned as part of our review.

When the missing service notes for two claims were discussed with PathWays, management stated that in July 2021, after our audit period, procedures were changed for saving electronic service notes. Although documents indicated PathWays management met and agreed to new procedures in June 2021, it did not provide formal written procedures. Management explained that the revised procedures require staff to save the files to a centralized location organized by pay period and SSP name, making records easier to locate and access when needed. Management believes this change strengthened its procedures for maintaining service documentation; however, we did not review the operating effectiveness of the new procedures due to the timing of implementation.

Recommendations

We recommend that PathWays:

1. Document any new procedures designed and implemented to ensure compliance with DHS records retention policies.
2. Ensure procedures operate effectively for saving electronic service note files to the proper file locations and retain them to substantiate the associated MA claims, as required.
3. Continue to periodically address questions/concerns from PathWays staff responsible for processing AWC program service notes, including those related to the proper retention procedures for electronic service notes designed to ensure compliance with DHS regulations and policies, and ensure any resulting decisions on revised procedures are documented and distributed to the staff.

³¹ DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

³² 55 Pa. Code § 1101.51(e) (pertaining to Record keeping requirements and onsite access).

³³ DHS Office of Developmental Programs Bulletin 00-17-02, issued July 21, 2017.

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PathWays of Southwestern Pennsylvania, Inc.'s Response

We provided our draft audit procedures and results and finding and related recommendations to PathWays of Southwestern Pennsylvania, Inc. (PathWays) for its review. On the page that follows, we included PathWays' response in its entirety.

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Audit Response from PathWays of Southwestern Pennsylvania, Inc.



December 27, 2022

Mr. Scott D. King, CPA
Director
Bureau of Performance Audits
Department of the Auditor General
613 North Street, Room 229
Harrisburg, PA 17120-0018

Via Email: SKing@paauditor.gov

Dear Mr. King,

Thank you for the opportunity to respond to the finding and recommendations of the Performance Audit Report on reimbursements received by PathWays of Southwestern Pennsylvania, Inc. (PathWays) from the Pennsylvania Department of Human Services (DHS) during the period July 1, 2020 through June 30, 2021.

We view the results of your Bureau's efforts and those of the other organizations that independently monitor and audit our operations as opportunities to enhance the quality of PathWays services and as integral parts of our continuous quality initiatives.

PathWays agrees with each of the reported recommendations and will continue to:

- Document and disseminate to Agency With Choice (AWC) staff any new procedures implemented in the future to ensure compliance with DHS records retention requirements, and
- Confirm service note documentation is properly retained in accordance with DHS requirements and all AWC staff questions or concerns regarding service note documentation are addressed during the ongoing performance of PathWays' service note review processes.

We also thank your staff for their professionalism, thoroughness and courtesy and should you have any questions or concerns with our responses, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Yongo", is written over a horizontal line.

Mr. Edward J. Yongo
President and Chief Executive Officer

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Appendix A

Objective, Scope, Methodology, and Data Reliability

The Department of the Auditor General (Department) conducted this performance audit of PathWays of Southwestern Pennsylvania, Inc. (PathWays) under the authority of Sections 402 and 403 of The Fiscal Code (Code), and in accordance with the 2020-2021 Budget Implementation provision of Article XVII-L, Subarticle B, Section 1715-L of the Code (Act 114 of 2020).³⁴ This audit was limited to the objective identified below and was not, 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

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

The audit objective covered the period July 1, 2020, through June 30, 2021, with updates through the report date.

PathWays' management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with applicable laws and regulations, administrative policies, and procedures related to services in which costs were reimbursed by DHS. In conducting our audit, we obtained an understanding of PathWays' internal control activities, including any information system controls, considered to be significant specific to our audit objective.

³⁴ 72 P.S. §§ 402, 403, and 1715-L.

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Methodology

Medical Assistance (MA) claims were selected for testing during this audit 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:

- Obtained a data file from the Department's Bureau of Information Technology Audits (BITA) summarizing DHS-approved MA claims listed by MA provider and federal account codes (70127, 70161, 70600) for the period July 1, 2020, through June 30, 2021. BITA created this data file utilizing monthly data files obtained from DHS and evaluated as part of the Commonwealth's annual Single Audit conducted jointly by the Department and a certified public accounting firm. See further details in the *Data Reliability* section below. We used this file to judgmentally select MA providers to audit, including PathWays, pursuant to Article XVII-L, Sub article B, Section 1715-L of the Code to ensure coverage of MA programs and geographic location throughout the Commonwealth.³⁵
- Reviewed the following laws, regulations, policies, and procedures applicable to the provision of services for children and adults with physical and/or intellectual and developmental disabilities (IDD) through PathWays' Agency With Choice (AWC) services.
 - *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.*).³⁶
 - *Medical Assistance Manual*, Part III, Title 55 of the Pennsylvania Code, (55 Pa. Code § 1101 *et seq.*).³⁷
 - *Frequently Asked Questions - Section 12006 of the 21st Century Cures Act, Electronic Visit Verification (EVV) Systems for Personal Care Services (PCS) and Home Health Care Services (HHCS)*, U.S. Department of Health & Human Services – Centers for Medicare & Medicaid Services.³⁸

³⁵ Ibid.

³⁶ https://www.ssa.gov/OP_Home/ssact/title19/1900.htm (accessed May 20, 2022).

³⁷ <http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/055/chapter1101/chap1101toc.html&d=> (accessed March 7, 2022).

³⁸ <https://www.medicare.gov/federal-policy-guidance/downloads/faq051618.pdf> (accessed March 28, 2022).

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- *DHS Office of Developmental Programs (ODP) Bulletin 00-08-08, Agency With Choice Financial Management Services.*³⁹
- *DHS Office of Developmental Programs (ODP) Bulletin 00-20-02, (Attachment 1) Individual Support Plan (ISP) Manual for Individuals Receiving Targeted Support Management, Base-Funded Services, Consolidated, Community Living or P/FDS (Person/Family Directed Support) Waiver Services or Who Reside in an ICF/ID (Intermediate Care Facility for Persons with Intellectual Disabilities).*⁴⁰
- *DHS ODP Bulletin 00-17-02, Claim and Service Documentation Requirements for Providers of Consolidated and P/FDS Waiver Services and Targeted Services Management.*⁴¹
- *ODP Bulletin 05-20-03, Electronic Visit Verification for Personal Care Services Provided in the Fee-for-Service Delivery System.*⁴²
- *ODP Bulletin 00-02-04, Participant-Directed Services: Agency With Choice Financial Management Services Model.*⁴³
- *DHS Fee Schedule Table, AWC Financial Management Services, Including Benefit Allowance, (July 1, 2019 – February 28, 2022).*⁴⁴
- *DHS ODP Bulletin 07-20-04, 54-20-04, 59-20-04, 00-20-03, Electronic Visit Verification (EVV), for Personal Care Services (PCS).*⁴⁵
- Interviewed PathWays management to gain an understanding how the organization provides MA-enrolled individuals IDD services associated with our population of claims that DHS approved for reimbursement during the audit period.

³⁹ <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS%20AND%20PUBS%20ODP/ODP%2000-08-08.pdf> (accessed May 20, 2022).

⁴⁰ <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS AND PUBS ODP/Attachment 1 - ISP Manual.pdf> (accessed March 23, 2022).

⁴¹ <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS%20AND%20PUBS%20ODP/ODP%2000-17-02.pdf> (accessed October 11, 2022).

⁴² <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS%20AND%20PUBS%20OMAP/MAB2020082601.pdf> (accessed August 29, 2022).

⁴³ <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS%20AND%20PUBS%20ODP/ODP%2000-08-08.pdf> (accessed May 20, 2022).

⁴⁴ [https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Current%20Rates%20ODP%20Fee%20Schedule%20Rate%20Tables%20and%20Assumption%20Logs%20Effective%20Starting%20July%201%202017/Fee%20Schedule%20Table%20CB%2090%20Agency%20with%20Choice%20Financial%20Management%20Services,%20Including%20Benefits%20\(c_290959\).pdf](https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Current%20Rates%20ODP%20Fee%20Schedule%20Rate%20Tables%20and%20Assumption%20Logs%20Effective%20Starting%20July%201%202017/Fee%20Schedule%20Table%20CB%2090%20Agency%20with%20Choice%20Financial%20Management%20Services,%20Including%20Benefits%20(c_290959).pdf) (accessed April 5, 2022).

⁴⁵ <https://www.dhs.pa.gov/docs/Publications/Documents/FORMS%20AND%20PUBS%20OMAP/MAB2020091001.pdf> (accessed May 6, 2022).

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- Obtained PathWays written procedures used to document IDD services provided to MA-enrolled individuals through the AWC and developed audit procedures to test internal controls designed to the accuracy of the service documents to support MA reimbursement claims submitted to DHS and compliance with applicable laws and regulations.
- Reviewed PathWays' service note audit process designed to evaluate service notes submitted by Support Service Professionals (SSP) for completeness and accuracy in compliance with applicable laws and regulations.
- Reviewed documentation from another previously issued MA provider-IDD services audit to gain an understanding of the IDD services waiver program administered by DHS ODP, including how MA claims are submitted for reimbursements using the PROMISe™ system, which verifies the individuals' MA eligibility before DHS approves a claim for reimbursement.
- Obtained a data file from DHS ODP containing all PathWays MA claims for AWC services that DHS approved for reimbursement during the period July 1, 2020, through June 30, 2021. Prior to selecting claims to review, we removed Base funding claims, adjustment claims, and administrative fee claims that are discussed in a later bullet.⁴⁶ This resulted in an audit population of 111,770 claims totaling \$17,503,965.
- Obtained a management representation letter from PathWays management asserting that computer-processed information provided for the audit was accurate, complete, and free from falsifications.
- Judgmentally selected 60 claims from the audit population based on our assessment of audit risk. The 60 claims totaled \$22,245.⁴⁷ We ensured that the claims were associated with 60 different MA-enrolled individuals and prorated our selection according to the service procedure codes to obtain a more representative selection of claims for our review.
- Confirmed that 5,738 claims for administrative fees totaling \$1,326,683, which DHS approved for reimbursement during the period July 1, 2020, through June 30, 2021, were reasonable based upon the number of individuals that received PathWays' AWC services. We also confirmed that PathWays did not submit claims for more than one administrative fee for each individual during the service month.
- Developed and performed the following procedures for the 60 selected claims to determine whether internal controls were operating effectively to submit accurate MA

⁴⁶ Base funding is a small amount of state funds that DHS allocates to county mental health offices which can be used at the counties' discretion.

⁴⁷ Each claim on the DHS data file included a service code that identified the type of service provided.

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claims for reimbursement, to evaluate whether the selected claims were in compliance with applicable laws and policies, and if documentation was maintained to support that services were rendered:

- Verified that DHS authorized the services on the individual's ISP associated with each claim as recorded on supporting documents.
- Agreed PathWays service documents for each selected claim with the associated MA claims processing documents, such as the individual's name, date of service, and number of units (duration of provided service).
- Recalculated the number of service units claimed using the service start and end times electronically recorded by the Support Service Professional (SSP) through PathWays electronic visit verification mobile application or landline telephone system.
- Verified the accuracy of the claim reimbursement amounts by multiplying the number of service units by the appropriate DHS-established reimbursement rate for the specific service associated with the claim.⁴⁸
- Agreed services listed in the documentation with the ISP Outcome Action Plan of each individual to ensure the services addressed outcomes listed.
- Agreed the details associated with each MA claim selected for testing from the DHS ODP data file with PathWays source documents maintained to substantiate each claim in accordance with DHS policy.
- Verified the SSPs' travel log to the details described in the service documentation for each selected claim that involved a service provided away from the individual's home or location where the SSP normally provided services. We also confirmed PathWays staff approved SSP's travel log.
- For the 16 of the 60 selected claims that PathWays staff previously reviewed as part of its internal audit review process, obtained corroborative confirmations directly from PathWays staff who reviewed and electronically approved the services documentation. If the staff person who approved the service documents was no longer employed at PathWays, we received corroborative confirmation from that person's supervisor stating the staff would have been correct to approve the services at that time.

⁴⁸ [https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Current%20Rates%20ODP%20Fee%20Schedule%20Rate%20Tables%20and%20Assumption%20Logs%20Effective%20Starting%20July%201%202017/Fee%20Schedule%20Table%20CB%90%20Agency%20with%20Choice%20Financial%20Management%20Services.%20Including%20Benefits%20%20\(c_290959\).pdf](https://www.dhs.pa.gov/Services/Disabilities-Aging/Documents/Current%20Rates%20ODP%20Fee%20Schedule%20Rate%20Tables%20and%20Assumption%20Logs%20Effective%20Starting%20July%201%202017/Fee%20Schedule%20Table%20CB%90%20Agency%20with%20Choice%20Financial%20Management%20Services.%20Including%20Benefits%20%20(c_290959).pdf) (accessed April 5, 2022).

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Data Reliability

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 containing DHS-approved MA claims summarized by MA provider for the federal account code 70600 – CommID (Community with Intellectual and Developmental Disabilities Waiver Program), for the period July 1, 2020, through June 30, 2021, BITA reconciled the data file to DHS data provided to the Department and evaluated as part of the Commonwealth’s Single Audit for the fiscal year ended June 30, 2021, conducted jointly by the Department and a certified public accounting firm.⁴⁹ Based on the procedures performed, we concluded the data to be sufficiently reliable for the purposes of selecting MA providers to audit, including PathWays.
- To assess the completeness and accuracy of the data file received from DHS ODP containing individual PathWays claims approved by DHS during the period July 1, 2020, through June 30, 2021, we completed the following:
 - Reconciled the total MA claims amount to the data file BITA created utilizing monthly data of approved claims that DHS provided and BITA evaluated as part of the Commonwealth’s Single Audit (described in the bullet above).
 - Verified the data file had no duplicate reimbursement payments from DHS for the same service, administrative fee, or any other anomalies requiring investigation to ensure propriety of the claims.
 - Reviewed 60 selected MA claims from the DHS ODP data file and agreed the data to source documentation maintained by PathWays, as described in the *Methodology* section above.

We concluded the DHS ODP data file was sufficiently reliable for the purposes of this engagement.

⁴⁹ <https://www.budget.pa.gov/Publications%20and%20Reports/Documents/SingleAuditReports/june-30-2021-single-audit-report.pdf> (accessed June 15, 2022).

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Appendix B

Distribution List

This report was distributed to the following Commonwealth officials:

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Mr. Edward J. Yongo

Chief Executive Officer and Board Member
PathWays of Southwestern Pennsylvania,
Inc.

Mr. Michael Wassil

Director of Finance
PathWays of Southwestern Pennsylvania,
Inc.

Ms. Stacey Collins

Executive Vice President of Finance
PathWays of Southwestern Pennsylvania,
Inc.

Ms. Karen Eshbaugh

AWC Program Director
PathWays of Southwestern Pennsylvania,
Inc.

The Honorable Meg Snead

Acting Secretary
Department of Human Services

Ms. Tina Long

Director, Bureau of Financial Operations
Department of Human Services

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Department of Human Services

The Honorable Scott Martin

Majority Senate Appropriations Committee
Pennsylvania Senate

The Honorable Vincent Hughes

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The Honorable Kim Ward

President Pro-Tempore
Pennsylvania Senate

The Honorable Mark Rozzi

Speaker of the House
Pennsylvania House of Representatives

The Honorable Bryan Cutler

Republican Leader
Pennsylvania House of Representatives

The Honorable Joanna McClinton

Democratic Leader
Pennsylvania House of Representatives

The Honorable Ben Lukens

Secretary of the Budget
Office of the Budget

The Honorable Stacy Garrity

State Treasurer
Pennsylvania Treasury Department

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The Honorable Josh Shapiro

Attorney General
Office of the Attorney General

The Honorable Michael Newsome

Secretary of Administration
Office of Administration

Mr. William Canfield

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