OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

Official Audit Report – Issued October 1, 2024

Office of Medicaid (MassHealth)—Review of Payment for Telehealth Adult Day Health

For the period January 1, 2020 through December 31, 2021

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OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

October 1, 2024

Kate Walsh, Secretary
Executive Office of Health and Human Services
1 Ashburton Place, 11th Floor
Boston, MA 02108

Dear Secretary Walsh:

I am pleased to provide to you the results of the enclosed performance audit of MassHealth. As is typically the case, this report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, January 1, 2020 through December 31, 2021. As you know, my audit team discussed the contents of this report with agency managers. This report reflects those comments.

I appreciate you and all your efforts at MassHealth. The cooperation and assistance provided to my staff during the audit went a long way toward a smooth process. Thank you for encouraging and making available your team. I am available to discuss this audit if you or your team have any questions.

Best regards,

Diana DiZoglio
Auditor of the Commonwealth

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LIST OF ABBREVIATIONS

ADH	adult day health
CMR	Code of Massachusetts Regulations
DNP	Do Not Pay
MMIS	Medicaid Management Information System
OSA	Office of the State Auditor

EXECUTIVE SUMMARY

The Office of the State Auditor (OSA) receives an annual appropriation for the operation of a Medicaid Audit Unit to identify fraud, waste, and abuse in the Commonwealth's Medicaid program. This program, known as MassHealth, is administered under Chapter 118E of the Massachusetts General Laws by the Executive Office of Health and Human Services, through the Division of Medical Assistance. Medicaid is a joint federal-state program created by Congress in 1965 as Title XIX of the Social Security Act. At the federal level, the Centers for Medicare and Medicaid Services, within the US Department of Health and Human Services, administer the Medicare program and work with state governments to administer state Medicaid programs.

OSA has conducted a performance audit of MassHealth's payments for telehealth adult day health (ADH) for the period January 1, 2020 through December 31, 2021. During this period, MassHealth paid $41,809,653.67—for 718,902 claims—to its providers for telehealth ADH provided to MassHealth members. The purpose of this audit was to determine whether MassHealth monitored telehealth practices for ADH to ensure compliance with its regulations.

This audit was conducted as part of OSA's ongoing independent statutory oversight of the state's Medicaid program. Several of our previously issued audit reports disclosed weaknesses in MassHealth's claim processing system and improper billing practices by MassHealth providers, which identified millions of dollars in potentially improper payments. As with any government program, public confidence is essential to the success of and continued support for public expenditures, such as the state's Medicaid program. Our audit is designed to identify issues that will help improve the Medicaid program, so taxpayers know their dollars are spent prudently and that there is a system of continuous improvement of efficiency and service over time.

Below is a summary of our findings, the effects of our findings, and our recommendations, with links to each page listed.

Finding 1 **Page 10**	MassHealth paid providers for ADH that it did not authorize and/or that did not have supporting documentation.
Effect	When ADH providers do not fully document the services provided to MassHealth members, MassHealth cannot ensure that its members receive services that are consistent with members' plans of care. Additionally, by not authorizing ADH before making payments to providers, MassHealth risks paying providers for unnecessary services.

Recommendations Page 11	1. MassHealth should ensure that system edits to prevent payments for ADH without prior authorization are properly implemented. 2. MassHealth should investigate the paid claims identified by OSA and take corrective action as it deems appropriate. MassHealth should also investigate for improper documentation of ADH claims from providers that OSA did not review.
Finding 2 Page 13	MassHealth paid providers for transportation to ADH that it did not authorize and/or that did not have supporting documentation.
Effect	When providers submit claims for ADH without maintaining documentation to support how the service was performed, MassHealth risks paying for services that are not appropriate for a member's needs, or that may not have been provided at all. By not ensuring that telehealth claims are adequately documented by providers, MassHealth limits its capabilities to detect potential fraud.
Recommendations Page 15	1. MassHealth should ensure that system edits to prevent payments for ADH without prior authorization are properly implemented. 2. MassHealth should investigate the paid claims identified by OSA and take corrective action as it deems appropriate. MassHealth should also investigate ADH claims from providers outside the five OSA reviewed for improper documentation. 3. MassHealth should establish monitoring controls to ensure that ADH claims are documented.
Finding 3 Page 16	MassHealth paid providers $11,797 for 109 claims for services allegedly rendered to 31 members who were proven to be deceased.
Effect	By not always identifying deceased members, MassHealth risks paying fraudulent claims or overpaying its providers for services that were not rendered.
Recommendations Page 17	1. MassHealth should update its MMIS algorithms to cross-reference members' dates of death with additional data sources and not rely solely on the Department of Public Health's Vital Statistics file when verifying members' dates of death. 2. MassHealth should establish a plan to recoup the $11,797 in overpayments made on behalf of deceased members.

Post-audit Action

On December 26, 2023, MassHealth officials told us that, in response to this audit, it revised its policy on date of death matching to include certain data sources other than the Department of Public Health's Registry of Vital Records and Statistics. The registry collects, tracks, and manages vital records such as the births and deaths of Massachusetts residents. MassHealth officials further stated that, when pursuing recoupments for potential overpayments, it must balance the risk of missing such potential overpayments with the risk of relying on alternate sources of data that MassHealth does not consider to be as reliable as the registry.

OVERVIEW OF AUDITED ENTITY

Under Chapter 118E of the Massachusetts General Laws, the Executive Office of Health and Human Services, through the Division of Medical Assistance, administers the state's Medicaid program, known as MassHealth. MassHealth annually provides access to healthcare services for approximately 2.3 million eligible children, families, people over 65, and people with disabilities, all of whom have low or moderate incomes. In fiscal year 2023, MassHealth paid healthcare providers more than $17.1 billion, of which approximately 35% was funded by the Commonwealth. Medicaid expenditures represented approximately 33% of the Commonwealth's total fiscal year 2023 budget.

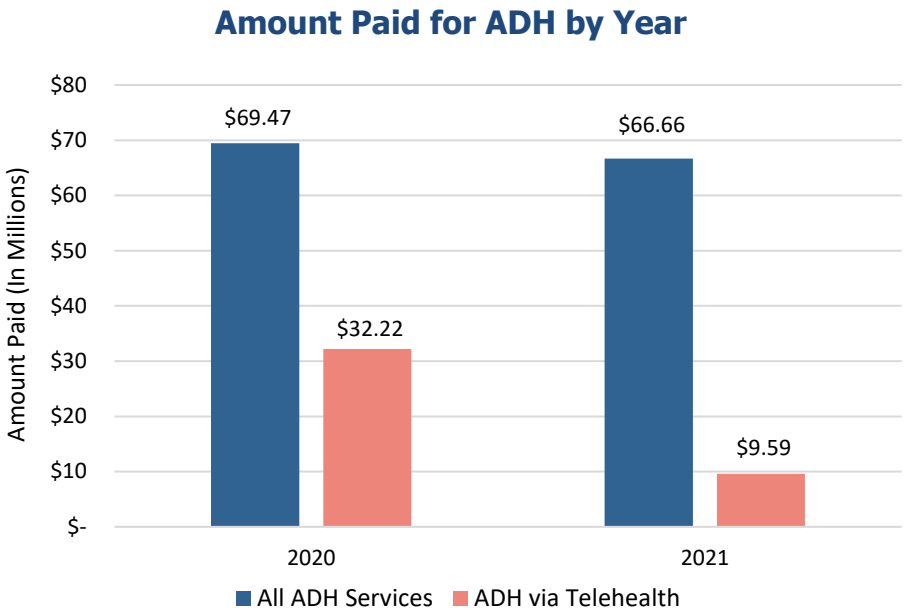
Adult Day Health

Adult day health (ADH) is a community-based, nonresidential service that delivers nursing, supervision, and assistance with daily activities to MassHealth members in an organized group setting. MassHealth covers ADH for eligible members who need assistance with activities of daily living (e.g., eating, toileting, bathing, or walking) or skilled nursing services. MassHealth requires prior authorization for ADH. ADH providers can also bill MassHealth for transportation that they provide for members to and from the ADH center.

Telehealth

Following the Governor's Declaration of Emergency on March 10, 2020, which was in response to the COVID-19 pandemic, MassHealth issued All Provider Bulletin 289, which permitted qualified providers to deliver clinically appropriate and medically necessary services to MassHealth members through telehealth. During this time, ADH providers were allowed to bill MassHealth on a retainer basis at the frequency that their members were attending ADH before the COVID-19 pandemic. That is, if a member attended ADH five days per week before the COVID-19 pandemic, then MassHealth would still pay claims for up to five days per week for that member, even though the member did not receive any ADH between April 1, 2020 and July 31, 2020.

During the audit period, MassHealth paid ADH providers $136,134,425, of which $41,809,653.67 (31%) was for telehealth ADH, as detailed in the graph below.



In August 2020, MassHealth issued ADH Bulletin 18, which provided guidance to ADH providers regarding MassHealth's telehealth policies. ADH providers were allowed to bill MassHealth using a partial per diem service code for providing telehealth ADH for up to three hours per day. Some examples of ADH-related services that could be provided through telehealth, according to MassHealth's bulletin, included coordination of care, wellness checks, medication management, and group activities with specific goals for members. Services that could not be provided through telehealth, according to MassHealth's bulletin, included meal delivery, COVID-19 symptom checks, and arrangement of a member's on-site attendance at their ADH center (e.g., calls from the ADH provider to confirm a pickup time). Additionally, ADH providers could not bill for transportation to an ADH center on days when a member received telehealth ADH.

Levels of Care

ADH is provided at the basic level of care if a MassHealth member needs either one of the following: (1) skilled services ordered by a physician, such as nursing or physical therapy, or (2) assistance with daily activities such as eating, bathing, or toileting. ADH is provided at the complex level of care for MassHealth members who need both of the aforementioned services and assistance.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor (OSA) has conducted a performance audit of certain activities of MassHealth for the period January 1, 2020 through December 31, 2021.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Did MassHealth pay for telehealth adult day health (ADH) in accordance with Section 404.414 of Title 130 of the Code of Massachusetts Regulations (CMR) and MassHealth's ADH Bulletins 18 and 20?	**No; see Finding 1**
2. Did MassHealth pay for ADH transportation services in accordance with 130 CMR 404.414, 130 CMR 404.416, 130 CMR 450.205, MassHealth's All Provider Bulletin 327, and MassHealth's ADH Bulletins 18 and 20?	**No; see Finding 2**
3. Did MassHealth ensure that it did not pay for ADH provided to members after their dates of death, in accordance with 130 CMR 450.235?	**No; see Finding 3**

To accomplish our audit objectives, we gained an understanding of the aspects of the internal control environment relevant to our objectives by reviewing applicable policies and procedures and MassHealth's internal control plan and by interviewing MassHealth officials.

To obtain sufficient, appropriate evidence to address our audit objectives, we performed the procedures described below.

ADH Telehealth Services

To determine whether MassHealth properly paid for ADH, we selected a random, statistical[1] sample of 71 out of 1,134 MassHealth members who received ADH from the 10 providers that were paid the most for telehealth ADH, totaling $665,064 for 12,716 telehealth claims. To select our sample, we used a 90% confidence level,[2] a 50% expected error rate,[3] and a 20% desired precision range.[4]

We reviewed supporting documentation for the 12,716 telehealth ADH claims, totaling $665,064, for the 71 members in our sample. The supporting documentation included prior authorization letters for ADH; plans of care that detailed each member's qualifying needs for ADH and how those needs would be met through ADH; attendance logs that showed each day that each member received ADH in person; Remote Services Log entries that showed each day that each member received telehealth ADH; and service notes, which detail the extent of services that were provided to each member for each day on which that member received ADH.

We determined whether each member in our sample had prior authorization from MassHealth to receive ADH by cross-referencing prior authorization letters from the ADH providers with prior authorization information from the Medicaid Management Information System (MMIS). We also determined whether services were paid by MassHealth at the appropriate level of care (e.g., basic or complex level of care) that was authorized by MassHealth by cross-referencing the modifier codes[5] attached to each claim with prior authorization forms.

We reviewed plans of care, service notes, attendance logs, and Remote Services Logs from the providers for each member in our sample to determine whether the provided services had supporting

1. Auditors use statistical sampling to select items for audit testing when a population is large and contains similar items. Auditors generally use a statistical software program to choose a random sample when sampling is used. The results of testing using statistical sampling, unlike those from judgmental sampling, can usually be used to make conclusions or projections about entire populations.
2. Confidence level is a mathematically based measure of the auditor's assurance that the sample results (statistic) are representative of the population (parameter), expressed as a percentage.
3. Expected error rate is the number of errors that are expected in the population, expressed as a percentage. It is based on the auditor's knowledge of factors such as prior year results, the understanding of controls gained in planning, or a probe sample.
4. Desired precision range is the range of likely values within which the true population value should lie; also called confidence interval. For example, if the interval is 90%, the auditor will set an upper confidence limit and a lower confidence where 90% of transactions fall within those limits.
5. Modifier codes provide MassHealth with additional information about medical services, such as a change to the level of service.

documentation that detailed the services provided each day and how they supported the goals on each member's plan of care.

MassHealth allowed providers to bill ADH telehealth a maximum of three times per week per member during 2020. Therefore, we filtered claims data to identify all ADH telehealth that exceeded three times per week for each of the members in our sample. We then reviewed billing documentation to determine whether these services were billed to and paid for by MassHealth. We also filtered claim data to identify all claims coded as telehealth that were not billed using the partial per diem rate that MassHealth requires. We then reviewed Remote Services Logs, attendance logs, and billing documentation to determine whether these services were actually provided through telehealth and whether they were billed to and paid for by MassHealth.

Based on the result of our testing, we determined that MassHealth did not pay for ADH in accordance with 130 CMR 404.414 and MassHealth's ADH Bulletins 18 and 20. See Finding 1 for more information.

Transportation and Telehealth ADH

We identified the five providers that were paid the most by MassHealth for transportation and telehealth ADH on the same day. We then identified a population of 53 MassHealth members who received telehealth ADH from these providers and who may have received telehealth ADH and transportation on the same day.

We reviewed supporting documentation for 2,582 telehealth ADH and transportation claims, totaling $180,750, for the 53 MassHealth members (100%) in our population. The supporting documentation that was provided to us by each member's ADH provider included prior authorization letters for ADH and transportation, plans of care, transportation logs showing each day that each of the 53 members were transported to an ADH center, attendance logs, Remote Services Logs, and service notes for each day that each member received ADH.

We examined attendance logs, Remote Services Logs, and each member's service notes, to determine whether each claim was for telehealth ADH. We then cross-referenced each verified telehealth claim with transportation logs to identify all transportation services that were paid for by MassHealth for days when the corresponding member did not attend ADH in person.

Based on the result of our testing, we determined that MassHealth did not pay for ADH transportation services in accordance with 130 CMR 404.414, 130 CMR 404.416, 130 CMR 450.205, MassHealth's All Provider Bulletin 327, and MassHealth's ADH Bulletins 18 and 20. See Finding 2 for more information.

Date of Death

We provided the US Department of the Treasury's Do Not Pay (DNP)[6] with MassHealth enrollment records for all 7,234 members who received ADH during the audit period. These records included the members' full names, dates of birth, Social Security numbers or tax identification numbers, street addresses, and cities and states of residence. DNP matched names that were exactly the same and names that were similar to each other and then determined a level of confidence that the MassHealth member was the same as the person listed within one or more of the death data sources below. DNP also determined a level of confidence that the MassHealth member was truly deceased. The data sources used by DNP included the following:

- DNP Portal Adjudication data, which consists of data regarding whether a payment is proper, improper, or under review and provides comments associated with the determination;
- the Social Security Administration's Public Death Master File;
- the American InfoSource[7] Commercial Obituary Search, which contains obituary data from funeral homes, news sources, and probate records;
- the American InfoSource Commercial Probate Search;
- the US Department of Defense's public death data;
- the US Department of State's public death data; and
- the National Association for Public Health Statistics and Information Systems' Electronic Verification of Vital Events: Fact of Death database.

DNP produced match results for 491 members out of the 7,234 members who received ADH during the audit period using the death data sources above. We queried MMIS for all Medicaid-covered claims associated with these 491 members who were flagged by DNP. We then filtered the data to identify 35 members with claims paid by MassHealth where services were rendered after the date of death found

6. DNP is a service provided by the US Department of the Treasury's Bureau of Fiscal Service that is designed to detect and prevent improper payments. It is authorized by the Payment Integrity Information Act of 2019.
7. American InfoSource is a private professional services and technology company that maintains a proprietary index of deceased individuals.

by DNP. We then reviewed obituary records that we obtained through internet searches for 31 out of the 35 members to verify that these members were deceased.

Based on the result of our testing, we determined that MassHealth did not ensure that it did not pay for ADH provided to members after their dates of death, in accordance with 130 CMR 450.235. See Finding 3 for more information.

Data Reliability Assessment

To test the reliability of the claim data obtained from MMIS, we relied on the work performed by OSA in a separate project, completed in 2023, that tested certain information system controls in MMIS. As part of that work, OSA reviewed existing information, tested selected system controls, and interviewed knowledgeable MassHealth officials about the data. Additionally, as part of our current audit, we performed validity and integrity tests on all ADH claim data to identify any of the following:

- duplicate member identification numbers;
- blank fields;
- duplicate records;
- values outside of a designated range (e.g., negative paid amounts);
- dates outside of the audit period;
- gaps in sequential data (e.g., missing dates, weeks, or months); and
- data validity errors (specifically, character fields that contained invalid printable characters and date and time fields that contained invalid dates or times).

Additionally, we selected 20 claims from the ADH claim data and vouched[8] to the hardcopy patient records. We also selected 20 hardcopy patient records and traced them to the ADH claim data.

Based on the results of the data reliability assessment procedures described above, we determined that the information obtained was sufficiently reliable for the purposes of our audit.

8. Vouching is the inspection of supporting documentation to corroborate data.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. MassHealth paid providers for adult day health that it did not authorize and/or that did not have supporting documentation.

During the audit period, MassHealth made $337,829 in overpayments to adult day health (ADH) providers for services that MassHealth did not authorize and/or that did not have supporting documentation, such as service notes, attendance logs, or Remote Services Logs. Specifically, we found that MassHealth paid providers for 11 out of 71 members in our sample to receive ADH without prior authorization, accounting for 1,432 claims, totaling $75,144. Additionally, we found that MassHealth paid providers for 67 out of the 71 members in our sample to receive ADH that was not documented with attendance logs, Remote Services Logs, or service notes. This accounted for 6,965 claims, totaling $262,685. It should be noted that $123,773 out of the $262,685 (47%) in undocumented ADH claims were for retainer payments to ADH providers.

When ADH providers do not fully document the services provided to MassHealth members, MassHealth cannot ensure that its members receive services that are consistent with their plans of care. Additionally, by not authorizing ADH before making payments to providers, MassHealth risks paying providers for unnecessary services.

Authoritative Guidance

MassHealth's ADH Bulletin 18, effective August 2020 through December 2020, states,

> *All remote/telehealth/in-person service delivery must be clearly documented in the member's record, noting how the service provided promoted the prevention of decompensation of member's baseline and/or care management services that were provided to maintain safety in the home. Documentation of telehealth must indicate that the visit was completed via telehealth due to COVID-19, note any limitations of the visit, and include a plan to follow up on any medically necessary components deferred due to those limitations.*
>
> *Providers must complete the Remote Services Log for each month remote services are provided, delineating the services that were provided to each member.*

MassHealth's ADH Bulletin 20, effective January 2021 through December 2021, states,

> *All remote service delivery must be clearly documented in the member's record, noting how the provided service promoted the prevention of decompensation of member's baseline and/or aligned with the member's plan of care. Documentation must indicate that the visit was completed remotely*

> *or in-home due to COVID-19 and include a plan to follow up on any medically necessary components. . . .*
>
> *Providers must maintain accurate attendance records for each date of service on which services were provided to members in the congregate setting. Members' scheduled remote services must be documented and maintained onsite. The ADH provider must document scheduled remote services for each date for which services are billed and make this information available to the MassHealth agency or its designee upon request.*

Section 404.406(B)(1) of Title 130 of the Code of Massachusetts Regulations (CMR) states, "As a prerequisite for payment of ADH, the ADH provider must obtain prior authorization from the MassHealth agency or its designee before the first date of service delivery and annually thereafter, or upon significant change."

According to 130 CMR 404.414(D)(1)(b) and (D)(2)(c),

> *The ADH provider must document how a qualifying . . . needs were met for each member in a manner consistent with the member's plan of care on each date for which services are billed and make this information available to the MassHealth agency or its designee upon request. Such documentation must include evidence of the following having been provided pursuant to the member's plan of care: daily ADL service delivery, daily behavior support or evaluation, daily activity participation, and/or evidence of skilled services care.*

Reasons for Issue

MassHealth officials informed us that between April 1, 2020 and July 31, 2020, ADH providers were allowed to submit claims for each day that members would have been scheduled to attend the ADH provider's program. MassHealth implemented retainer payments to financially support ADH providers and ensure the continued delivery of services. MassHealth officials told us that system edits, which are designed to prevent the payment of unauthorized services, in the Medicaid Management Information System (MMIS) were not implemented until September 1, 2021.

Additionally, MassHealth did not have sufficient procedures in place to regularly review its ADH providers' documentation of the services they provided to members.

Recommendations

1. MassHealth should ensure that system edits to prevent payments for ADH without prior authorization are properly implemented.

2. MassHealth should investigate the paid claims identified by the Office of the State Auditor (OSA) and take corrective action as it deems appropriate. MassHealth should also investigate for improper documentation of ADH claims from providers that OSA did not review.

Auditee's Response

Regarding recommendation 1. . . . MassHealth delayed the planned activation of a system edit related to prior authorization that—prior to the pandemic—had been set to be activated on April 15, 2020. MassHealth made the decision to delay activation of the edit to avoid further disruption to the ADH program at a time when ADH providers had been forced to close and MassHealth was intently focused on finding ways to retain the existence of ADH providers and ensure the continued availability of ADH services. This decision was also premised on the understanding that any claims for ADH services that were paid absent a [prior authorization (PA)] could be recovered via post payment review, a process which has since occurred, and as noted in further detail below. Ultimately MassHealth activated the PA edit on September 1, 2021, after the height of the pandemic had receded. . . .

Regarding recommendation 2, MassHealth agrees with this recommendation. MassHealth will review the OSA's findings and recover any identified overpayments that are not already subject to ongoing MassHealth provider audits and recoveries. Specifically, and as noted above, MassHealth is finalizing a claim-based algorithm recovery for ADH services provided without a PA, which encompass the OSA's audit period and was previously in development as part of MassHealth's standard program integrity controls. Further, MassHealth will ensure that any findings from the OSA not captured in the existing recovery project will be validated and pursued through overpayment recoveries as appropriate.

MassHealth further requests, however, that in . . . the draft audit report, where it states "$123,733 out of the $262,685 (47%) in undocumented ADH claims were for retainer payments to ADH providers" that the auditor identify whether the identified retainer payment claims with no documentation were for dates that occurred in a week with no other documentation of a member contact, as it was permissible for ADH providers to claim multiple retainer payments in a given month so long as they had at least one contact with the member during each week in that month.

Auditor's Reply

In its response, MassHealth states that it delayed activating the system edit to prevent payment for ADH without a prior authorization from April 15, 2020 until September 1, 2021 to avoid further disruption to the ADH program during the COVID-19 pandemic. We recognize the need for MassHealth to avoid disruptions in the ADH program during that difficult time. We also believe it is critical to ensure that ADH is authorized, especially during a public health emergency, to ensure that these resources are being directed to those who need them. Further, we note that the MassHealth regulation requiring prior authorization for ADH was effective as of July 27, 2018, approximately 19 months before the start of the COVID-19 pandemic. This system edit could have been implemented at that time.

Additionally, in its response, MassHealth requests that we identify whether the retainer payment claims with no documentation were for dates that occurred in a week with no other documentation of a member contact, as multiple retainer payments were allowed in a given month if ADH providers contacted MassHealth members at least once per week. During our audit, we requested documentation for ADH provided to MassHealth members that covers the entire months in question. We found no evidence of any service provided to the members associated with the retainer payments that we identified in our finding and, therefore, consider these retainer payments to be unallowed.

2. MassHealth paid providers for transportation to adult day health that it did not authorize and/or that did not have supporting documentation.

During the audit period, MassHealth paid ADH providers for transportation claims that it did not authorize and/or did not have any supporting documentation. Specifically, we found that ADH providers did not obtain prior authorization from MassHealth for 17 out of 53 MassHealth members in the population of members who may have received telehealth ADH and transportation on the same day. This accounted for 632 ADH and transportation claims, totaling $47,572. We also found that telehealth ADH and transportation claims for 45 out of 53 members who may have received telehealth ADH and transportation on the same day did not have supporting documentation, such as service notes, attendance logs, or transportation logs. This accounted for $58,658 paid by MassHealth for 1,315 telehealth ADH and transportation claims. Additionally, 8 out of 53 MassHealth members who may have received telehealth ADH and transportation on the same day did not have a plan of care on file with an ADH provider to document how members' qualifying needs for ADH were to be met in a telehealth format. This accounted for 112 telehealth ADH claims, totaling $9,827.

When providers submit claims for ADH without maintaining documentation to support how the service was performed, MassHealth risks paying for services that are not appropriate for a member's needs, or that may not have been provided at all.

Further, because none of the claims for the 45 members identified in our testing had supporting documentation, we were unable to determine whether transportation services were provided on the same day that members received telehealth ADH. By not ensuring that telehealth claims are adequately documented by providers, MassHealth limits its capabilities to detect potential fraud.

Authoritative Guidance

According to 130 CMR 404.406(B)(1),

> *As a prerequisite for payment of ADH, the ADH provider must obtain prior authorization from the MassHealth agency or its designee before the first date of service delivery and annually thereafter, or upon significant change.*

According to 130 CMR 404.414(C)(3), "The MassHealth agency pays ADH providers for ADH only if the . . . ADH provider has obtained prior authorization for MassHealth payment for ADH in accordance with the requirements."

According to 130 CMR 404.414 (D)(1)(b),

> *The ADH provider must document how a qualifying need or needs were met for each member in a manner consistent with the member's plan of care on each date for which services are billed and make this information available to the MassHealth agency or its designee upon request. Such documentation must include evidence of the following having been provided pursuant to the member's plan of care, as applicable: daily ADL service delivery, daily behavior support or evaluation, daily activity participation, and/or evidence of skilled services care.*

According to 130 CMR 450.205(A),

> *The MassHealth agency will not pay a provider for services if the provider does not have adequate documentation to substantiate the provision of services payable under MassHealth. All providers must keep such records, including medical records, as are necessary to disclose fully the extent and medical necessity of services provided to, or prescribed for, members and must provide to the MassHealth agency and the Attorney General's Medicaid Fraud Division, the State Auditor and the United States Department of Health and Human Services on request such information and any other information about payments claimed by the provider for providing services. . . .*

MassHealth's ADH Bulletin 18, effective August 2020 through December 2020, states the following:

> *All remote/telehealth/in-person service delivery must be clearly documented in the member's record, noting how the service provided promoted the prevention of decompensation of member's baseline and/or care management services that were provided to maintain safety in the home. Documentation of telehealth must indicate that the visit was completed via telehealth due to COVID-19, note any limitations of the visit, and include a plan to follow up on any medically necessary components deferred due to those limitations.*
>
> *Providers must complete the Remote Services Log for each month remote services are provided, delineating the services that were provided to each member.*

MassHealth's ADH Bulletin 20, effective January 2021 through December 2021, further states:

> *All remote service delivery must be clearly documented in the member's record, noting how the provided service promoted the prevention of decompensation of member's baseline and/or aligned with the member's plan of care. Documentation must indicate that the visit was completed remotely or in-home due to COVID-19 and include a plan to follow up on any medically necessary components. . . .*
>
> *Providers must maintain accurate attendance records for each date of service on which services were provided to members in the congregate setting. Members' scheduled remote services must be documented and maintained onsite. The ADH provider must document scheduled remote services for each date for which services are billed and make this information available to the MassHealth agency or its designee upon request.*

Reasons for Issue

MassHealth officials told us that MassHealth did not implement system edits in MMIS to deny ADH claims that did not have prior authorization until September 1, 2021. MassHealth officials told us that this was based on a decision by MassHealth leadership to help maintain services provided to members during the COVID-19 pandemic. Additionally, MassHealth does not have sufficient procedures in place to regularly review its ADH providers' documentation of the services they provide to their members.

Recommendations

1. MassHealth should ensure that system edits to prevent payments for ADH without prior authorization are properly implemented.
2. MassHealth should investigate the paid claims identified by OSA and take corrective action as it deems appropriate. MassHealth should also investigate ADH claims from providers outside the five OSA reviewed for improper documentation.
3. MassHealth should establish monitoring controls to ensure that ADH claims are documented.

Auditee's Response

> *Regarding recommendation 2, MassHealth agrees with this recommendation. MassHealth will review the OSA's findings and recover any identified overpayments that are not already subject to ongoing MassHealth provider investigations and recoveries. Of note, MassHealth is currently finalizing a claim-based algorithm recovery for ADH nonemergency transportation services provided without a PA for ADH services, which encompass the OSA's audit period and was previously in development as part of MassHealth's standard program integrity controls. Further, MassHealth will ensure that any findings from the OSA not captured in the existing recovery project will be validated and pursued through overpayment recoveries as appropriate.*

Regarding recommendation 3, MassHealth agrees with this recommendation and is committed to ensuring ADH providers' compliance with documentation requirements. MassHealth works to ensure ADH provider compliance via training conducted during provider meetings, as well as robust program integrity controls. Such program integrity controls include a comprehensive set of pre-pay edits, a prior authorization process that ensures services rendered are clinically appropriate, post-payment claims recoveries, and regularly scheduled audits of providers. Specifically, MassHealth regularly initiates 1 to 2 ADH provider audits per month which may result in the issuance of corrective actions and overpayments for improper documentation. Since January 1st, 2022, MassHealth has initiated 36 audits of ADH providers and has issued 20 initial notices of overpayment which detail the agency's overpayment and sanction findings.

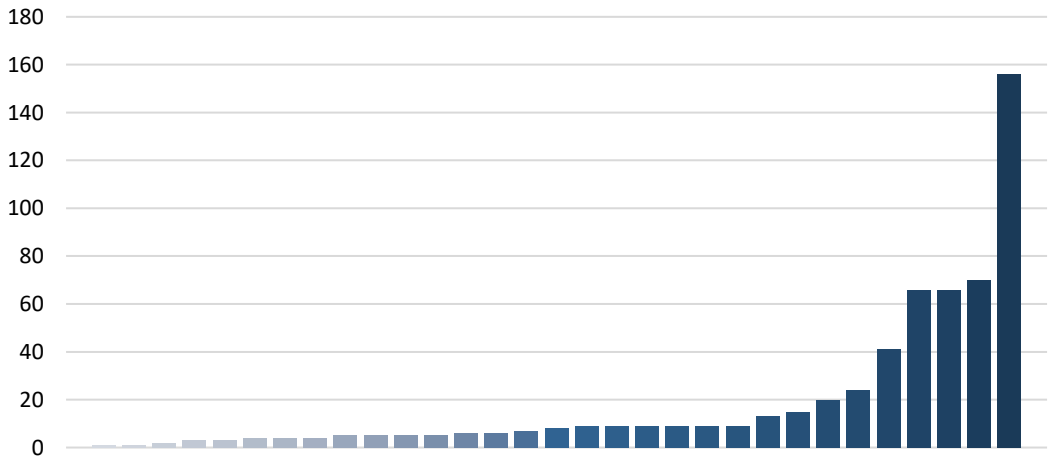
Auditor's Reply

MassHealth agrees with our recommendations and states that it will investigate the claims that we identified and recover overpayments as necessary. Further, MassHealth states that it has implemented program integrity controls to deny ADH claims as appropriate and regularly audits ADH providers for compliance with MassHealth billing regulations. Based on its response, it appears that MassHealth is taking action to address our concerns. We will follow up on this during our post audit review process, which will occur approximately six months from now.

3. MassHealth paid providers $11,797 for 109 claims for services allegedly rendered to 31 members who were proven to be deceased.

We identified 109 claims, totaling $11,797, paid by MassHealth for Medicaid-covered services that were allegedly provided to 31 members whom we proved to be deceased before the date of service indicated on the claim. The graph below details the maximum number of days after death that each of the 31 members we identified allegedly received a medical service paid for by MassHealth.

Number of Days after Death That Services Were Allegedly Performed



By not always identifying deceased members, MassHealth risks paying fraudulent claims or overpaying its providers for services that were not rendered.

Authoritative Guidance

According to MassHealth's administrative and billing regulations outlined in 130 CMR 450.235(A), "Overpayments include, but are not limited to, payments to a provider . . . for services that were not actually provided or that were provided to a person who was not a member on the date of service."

Reasons for Issue

MassHealth officials told us that, although they have program integrity controls in place to prevent some inappropriate payments for deceased members, there may still be a delay between the actual date of death for a MassHealth member and when that date is entered into MMIS. This can result in the payment of claims after a member's date of death. Additionally, 17 out of the 31 members identified by OSA as having claims paid after their date of death did not appear in the Department of Public Health's Vital Statistics file and were therefore excluded from MassHealth's post-death MMIS algorithms.

Recommendations

1. MassHealth should update its MMIS algorithms to cross-reference members' dates of death with additional data sources and not rely solely on the Department of Public Health's Vital Statistics file when verifying members' dates of death.
2. MassHealth should establish a plan to recoup the $11,797 in overpayments it made on behalf of deceased members.

Auditee's Response

MassHealth agrees with these recommendations. MassHealth has robust program integrity controls in place to prevent payments after a member's date of death. However, due to issues often beyond MassHealth's control (e.g., inaccurate sources of death data and time lags in access to death data), it is possible for such payments to occur. As a result, MassHealth also has robust controls in place to identify and recover such claims post-payment.

Regarding recommendation 1, MassHealth has adjusted its program integrity processes to improve the identification and recovery of inappropriately paid claims for dates of service after a member's date of death. Historically, it had been MassHealth's process to use Department of Public Health (DPH) Vital Statistics data to identify claims that were incorrectly paid for dates [of] service after a member's date of death; only members matching on the DPH Vital Statistics file would be included in any findings. MassHealth must balance the risk of missing potential overpayments with the risk of relying on less reliable sources of death data in pursuing recoupments of potential overpayments. In light of the OSA's recommendation, as of January 2024, MassHealth has updated its program

integrity efforts to no longer exclude members from post-death algorithms when members do not appear in the DPH Vital Statistics file.

Regarding recommendation 2, MassHealth agrees with this recommendation. MassHealth will review the claims identified by the OSA and carry out the recovery process as appropriate. MassHealth notes that 28 of the 109 claims have already been identified and included in initial notices of overpayment issued to the associated providers. MassHealth will ensure that all remaining overpayments identified are validated and recovered as appropriate.

Auditor's Reply

We commend MassHealth for adjusting its program integrity process to include data sources outside of the Department of Public Health's Vital Statistics file to identify potentially deceased MassHealth members. MassHealth also states that it will review the claims that we identified and recoup payments as appropriate. Based on its response, it appears that MassHealth is taking action to address our concerns regarding this finding.