



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

Official Audit Report – Issued September 21, 2017

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Office of Medicaid (MassHealth)—Review of Hospice  
Care Billing: HopeHealth Massachusetts, Inc.  
For the period July 1, 2011 through June 30, 2016





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September 21, 2017

Ms. Mary MacIntosh, Chief Administrative Officer and Chief Financial Officer  
HopeHealth Massachusetts, Inc.  
1085 North Main Street  
Providence, RI 02904

Dear Ms. MacIntosh:

I am pleased to provide this performance audit of claims that HopeHealth Massachusetts, Inc. submitted to the Office of Medicaid for hospice services. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2011 through June 30, 2016. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to you and your staff for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular watermark.

Suzanne M. Bump  
Auditor of the Commonwealth

cc: Mr. Allen Peckham, Chair of the Board of Directors

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## LIST OF ABBREVIATIONS

CMR	Code of Massachusetts Regulations
CTI	Certification of Terminal Illness
EMR	electronic medical record
MMIS	Medicaid Management Information System
OSA	Office of the State Auditor

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## EXECUTIVE SUMMARY

The Office of the State Auditor (OSA) receives an annual appropriation for the operation of a Medicaid Audit Unit to help prevent and 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 & 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 an audit of hospice claims paid to HopeHealth Massachusetts, Inc. for the period July 1, 2011 through June 30, 2016. During this period, MassHealth paid HopeHealth approximately \$17,483,302 to provide hospice services for 611 MassHealth members. The purpose of this audit was to determine whether HopeHealth billed MassHealth for appropriate hospice services and whether it documented them in member files in accordance with applicable state laws and regulations.

The audit was conducted as part of OSA's ongoing independent statutory oversight of the state's Medicaid program. Our previously issued audit reports disclosed significant weaknesses in MassHealth's claim-processing system and improper billing practices by MassHealth providers, which resulted in millions of dollars in potentially improper claim payments. As with any government program, public confidence is essential to the success and continued support of the state's Medicaid program.

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

<b>Finding 1</b> <b>Page <a href="#">6</a></b>	HopeHealth did not always maintain properly completed required documentation for hospice services, and some member files contained inaccurate information.
<b>Recommendations</b> <b>Page <a href="#">9</a></b>	<ol style="list-style-type: none"><li>1. HopeHealth should take the measures necessary to ensure that all required forms (i.e., Certification of Terminal Illness Forms, MassHealth Hospice Election Forms, and Discharge Summary Forms) are complete, accurate, and compliant with MassHealth regulations; that they are present in each member's file; and that patient information is not commingled in members' files.</li><li>2. HopeHealth should put controls in place to monitor the completion and filing of hospice documentation to ensure that all member files contain complete and accurate information.</li></ol>

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## 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 provides access to healthcare services to approximately 1.9 million eligible low- and moderate-income children, families, seniors, and people with disabilities. In fiscal year 2016, MassHealth paid healthcare providers more than \$14 billion, of which approximately 50% was funded by the Commonwealth. Medicaid expenditures represent approximately 39% of the Commonwealth's total annual budget.

According to Section 437.403 of Title 130 of the Code of Massachusetts Regulations (CMR), MassHealth covers medically necessary hospice services provided to eligible members. For the five-year period July 1, 2011 through June 30, 2016, MassHealth paid approximately \$499 million to hospice providers for hospice services for 26,151 members.

HopeHealth Massachusetts, Inc. is a certified MassHealth hospice provider with headquarters in Hyannis. It also has offices in Brockton, in East Sandwich, and in Vineyard Haven on Martha's Vineyard. Our audit focused on hospice services, including routine home care, general inpatient care, and long-term room and board, provided to MassHealth members by HopeHealth. These claims totaled \$17,483,302 during the audit period, as detailed below.

### HopeHealth Hospice Services

Fiscal Year	Amount Paid	Number of Claims	Members Served
2012	\$ 4,009,885	850	162
2013	3,748,983	865	189
2014	3,813,028	861	164
2015	3,215,792	740	163
2016	2,695,614	610	149
<b>Total</b>	<b><u>\$17,483,302</u></b>	<b><u>3,926</u></b>	

### Hospice Services

Hospice care provides medical services, emotional support, and spiritual resources to terminally ill MassHealth members. Hospice services include, among other things, nursing, physicians' services,

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counseling, therapy, medications, and medical equipment that are medically necessary to treat a member's terminal illness.

According to 130 CMR 437.402, a member is considered to have a terminal illness if s/he has "a medical prognosis of a life expectancy of six months or less if the illness runs its normal course." For a member to begin hospice services, the hospice provider must complete the MassHealth Hospice Election Form, which the member or the member's representative signs and submits to MassHealth. This form notifies MassHealth that a member is choosing to receive hospice care and therefore waiving his/her rights to other medical services related to the treatment of the terminal illness. The Hospice Election Form is also used if the member wishes to change or end hospice services.

The hospice provider also needs a qualified physician to complete a Certification of Terminal Illness Form certifying that the member is terminally ill and has a life expectancy of six months or less. This form must be signed by the member's attending physician, if s/he has one, and the medical director of the hospice or one of the physicians on the hospice team. The form includes a physician's narrative describing the member's terminal illness and a statement attesting that by signing the form, the physician/s confirm that they composed the narrative based on their review of the member file or physical examination of the member. The medical director or a physician on the hospice team recertifies that the member is terminally ill for each election period. The election periods consist of an initial 90-day period, a subsequent 90-day period, and an unlimited number of 60-day extension periods.

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## 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 HopeHealth Massachusetts, Inc. for the period July 1, 2011 through June 30, 2016.

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 our audit objective, indicating the question we intended our audit to answer, the conclusion we reached regarding the objective, and where the objective is discussed in the audit findings.

Objective	Conclusion
1. Did HopeHealth maintain proper documentation in member files to properly support hospice services it billed for?	No; see <b>Finding 1</b>

To achieve our audit objective, we reviewed applicable state laws and regulations, MassHealth bulletins and transmittal letters, the MassHealth All Provider Manual, and the MassHealth Hospice Manual. We also reviewed HopeHealth's employee manual and member files.

We gained an understanding of the internal control environment at HopeHealth and evaluated the design of controls over the billing process that we deemed significant to our audit objective.

We performed the following data analysis on all claims paid to HopeHealth:

- We summarized claims by relevant data fields, including member identification number, service provided, number of claims paid, and amount paid.
- We tested for payment of hospice claims after member date of death.
- We reviewed the durations of hospice services provided to members.



We selected a nonstatistical random sample of 30 out of a population of 611<sup>1</sup> MassHealth members who received hospice services and a judgmental sample of 28 members based on two isolated risk factors: whether they had been in hospice for more than two years and whether they had hospice services provided after their dates of death as recorded in MassHealth's Medicaid Management Information System (MMIS).<sup>2</sup> We took this combined sample of 58 members to determine whether hospice services billed by HopeHealth were documented appropriately. To determine this, we reviewed member files, which included MassHealth Hospice Election Forms, Certification of Terminal Illness Forms, and Discharge Summary Forms. Since this sample was nonstatistical, we could not project the results of the test to the entire population.

We relied on the work performed by OSA in a separate project that tested certain information system controls in MMIS, which is maintained by the Executive Office of Health and Human Services. As part of the work performed, OSA reviewed existing information, tested selected system controls, and interviewed knowledgeable agency officials about the data. Additionally, we performed validity and integrity tests on all claim data, including (1) testing for missing data, (2) scanning for duplicate records, (3) testing for values outside a designated range, (4) looking for dates outside specific time periods, and (5) tracing a sample of claims queried to source documents. Based on these procedures, we determined that the data obtained were sufficiently reliable for the purposes of this report.

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1. This figure represents the unduplicated count of members who received hospice services from HopeHealth during the audit period.

2. OSA determined that the isolated risk of services provided after date of death was due to erroneously recorded dates of death in MMIS. HopeHealth had recorded the correct date of death.

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## DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

### 1. HopeHealth Massachusetts, Inc. did not always maintain properly completed required documentation for hospice services, and some member files contained inaccurate information.

For 27 of the 58 member files sampled, 25 of which<sup>3</sup> account for \$2,171,683 worth of hospice claims reimbursed to HopeHealth Massachusetts, Inc. by MassHealth, HopeHealth did not maintain properly completed required documentation supporting hospice services provided to MassHealth members, based on our detailed review of each member's Certification of Terminal Illness (CTI) Form, each member's MassHealth Hospice Election Form, and other documentation maintained in member files. Without ensuring that it obtains and maintains all required documentation in members' files, HopeHealth has a higher-than-acceptable risk of providing and billing MassHealth for levels and types of hospice services that may not be medically necessary.

#### a. Some members' CTI Forms were missing required information.

HopeHealth did not have properly completed CTI Forms for 18 out of 58 members. Our audit found a total of 26 problems with the CTI Forms in the sampled member files (some members had more than 1 problem with their forms). The table below describes the problems identified.

#### CTI Form Issues Identified in Sample

Documentation Problem	Number of Instances
Narrative missing or incorrect	5
Attestation statement missing or incorrect	16
Physician signature/s missing	2
CTI Form missing entirely	3
<b>Total</b>	<b><u>26</u></b>

#### Authoritative Guidance

According to Section 437.411(C) of Title 130 of the Code of Massachusetts Regulations (CMR), a CTI Form must include a brief narrative explaining that a patient is terminally ill, a statement attesting that a qualified physician composed the narrative, and the physician's signature:

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3. Two of the 27 member files only had issues with inappropriate or conflicting documentation.

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*The certification must state that the member's life expectancy is six months or less and must be signed by the [attending physician and/or either the medical director or the physician member of the hospice team]. This certification is valid for the first 90 days of hospice coverage. The certification must include a brief narrative explaining the clinical findings that support a life expectancy of six months or less . . . and must include a statement attesting that by signing, the physician confirms that the narrative was composed personally by the physician based on his or her review of the member's medical record or, if applicable, his or her examination of the member.*

**b. Some members' Hospice Election Forms were missing, lacked required information, or had incorrect information.**

HopeHealth did not have properly completed Hospice Election Forms for 14 out of the 58 members in our sample. In 12 files, required member information, including member identification numbers, member names, member addresses, and effective dates, was either missing or incorrect. Additionally, in two files, the election form was missing.

**Authoritative Guidance**

The regulation 130 CMR 437.412(C) describes when the Hospice Election Form should be used and completed:

*Each time a MassHealth member who meets the [eligibility] requirements . . . seeks to elect hospice services, revoke hospice services, or change hospices, the hospice must complete the MassHealth agency's hospice form according to the instructions on the form and submit the form to the MassHealth agency.*

The instructions on the election form specify who must complete it and what information is required; this information includes the member's name, member identification number, address, and diagnosis.

**c. Some member files contained inappropriate or conflicting documentation.**

During our review of the 58 sampled member files, we found other discrepancies in 7 member files:

- Five member electronic medical records (EMRs) included medical forms and other documentation belonging to other HopeHealth patients.
- One member file was missing the Discharge Summary Form.
- One member file had two Discharge Summary Forms stating conflicting reasons for discharge: "death" and "no longer eligible for hospice services."

These discrepancies bring into question the reliability of the information in member files and create a potential privacy issue (for example, when a patient's medical record containing another patient's information is provided to family members or others on request).

### **Authoritative Guidance**

According to 130 CMR 437.425, hospices are required to maintain a separate medical record for each member detailing all services, including discharges, provided to that specific member only. The regulation also states, "All hospices must maintain a clinical record that . . . includes . . . complete documentation of all services and events."

### **Reasons for Documentation Issues**

HopeHealth did not have any monitoring controls (policies and procedures) in place to ensure that the information in member files was complete and accurate.

HopeHealth management stated that the missing or incomplete CTI Forms and Hospice Election Forms resulted from the company's transition from paper medical files to electronic ones in 2011.

Regarding the 16 missing attestation statements from the CTI Forms, HopeHealth stated that there was a system error with its EMR software (Brightree), which was omitting part or all of the physicians' attestation statements. HopeHealth stated that Brightree was working to resolve this problem even though, beginning June 2017, HopeHealth would no longer be using Brightree and would be migrating to new EMR software.

Regarding the issue of missing member identification numbers on the Hospice Election Forms, HopeHealth stated that before August 2013, it did not require this section of the form to be completed. HopeHealth did not provide a reason that other required member information was not on the election forms.

HopeHealth management did not provide a reason for the five member EMRs with documentation of services provided to other HopeHealth patients.

Finally, regarding the member who had two Discharge Summary Forms with conflicting reasons for discharge, HopeHealth stated that the second form, created five months after the first, was the correct form. It was not able to provide a reason that the first form, stating that the member had died, was

created. Management was not able to provide a reason, other than that discussed above, for the other missing Discharge Summary Forms.

## Recommendations

1. HopeHealth should take the measures necessary to ensure that all required forms (i.e., CTI Forms, Hospice Election Forms, and Discharge Summary Forms) are complete, accurate, and compliant with MassHealth regulations; that they are present in each member's file; and that patient information is not commingled in members' files.
2. HopeHealth should put controls in place to monitor the completion and filing of hospice documentation to ensure that all member files contain complete and accurate information.

## MassHealth's Response

*Regarding the audit finding and recommendations in the audit . . . we agree with the Auditor's recommendations and recommend that the provider act in accordance with them.*

## Auditee's Response

*Concurrent with the Commonwealth's audit, the HopeHealth Massachusetts, Inc. (HH-MA) management team began to review the organization's procedures with respect to hospice care billing for MassHealth patients for hospice services, as well as pass-through billing for long-term care facility room and board billing. As draft findings were reported to the organization, management reviewed the issues identified, performed root cause analyses, and initiated process improvements and staff education to address the issues being identified.*

*As noted in the report, a majority of the issues identified related to MassHealth Hospice Election, Certifications of Terminal Illness, and Discharge Summary Forms. As a result, HH-MA proactively implemented the following actions:*

- *The organization discovered during the audit that its Brightree Electronic Medical Record (EMR) had a deficiency whereby hospice Certification of Terminal Illness Forms were cut off due to a software application malfunction. The full CTI form appeared in the system, but could not be printed out as evidence for the audit. As it turns out, HH-MA already had a project underway to move to a new EMR called NetSmart, which would address this and other issues with the Brightree EMR. The organization officially transitioned from Brightree to NetSmart on June 1, 2017 and, at the same time, implemented new procedures to ensure that Certification of Terminal Illness Forms are reviewed for completeness for each patient. The agency also performed a self-assessment of new MassHealth admissions in the month of June in the new EMR, as well as recertifications of MassHealth patients, to confirm that the new system and procedures had corrected the issues identified in the audit.*
- *As it relates to MassHealth Election Forms, HH-MA staff have been working with the Office of Medicaid (MassHealth) over the last few months to better understand procedures for completing and submitting the election/disenrollment forms and to re-educate agency staff on proper procedures in that regard. In addition, it was discovered that the organization did not have a robust procedure for archiving MassHealth Election*

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*Forms in all circumstances. Management has created new procedures and implemented training to ensure full completion of the MassHealth Election Forms, timely submission, and archiving of all forms. Management has also implemented an ongoing self-assessment process to ensure that such forms are completed fully, properly submitted to MassHealth, and maintained in an archive.*

- *During preparation of the initial response to the Audit, a number of hard copy medical record documents were inadvertently uploaded in a different patient's electronic medical record. An investigation determined that this was due to human error. Upon discovering the issue, the electronic medical records involved were reviewed in detail by management. Documents that were uploaded incorrectly into the wrong electronic record were removed and uploaded into the correct electronic record. The Manager of Health Information Services then re-reviewed all records in question and validated that the electronic medical records include the correct documents. Additionally, new procedures have been put into place to ensure that records are being uploaded into the correct patient's electronic record going forward.*
- *A self-assessment was conducted for 100% of all newly admitted patients on MassHealth and a random self-assessment of MassHealth records for the month of June 2017 to affirm that current practices demonstrate that the issues identified in the Commonwealth's audit have since been addressed.*

*Finally, the organization has made a number of leadership and staff personnel changes since the timeframe in question, as well as workflow enhancements and new procedures as outlined above, that have enhanced and improved the quality of processes with the goal of ensuring that HopeHealth Massachusetts, Inc. meets all relevant requirements relating to documentation and billing of MassHealth patient services.*

*As outlined . . . above, HopeHealth Massachusetts, Inc. reviewed the issues identified during the MassHealth audit of hospice care billing and proactively implemented steps to understand and remediate the identified areas of concern. Management believes that it has taken appropriate action steps to ensure that all required forms including Certification of Terminal Illness Forms, MassHealth Election Forms, and Discharge Summary Forms are complete, accurate, and compliant with MassHealth regulations and present in each member's record. Additionally, new procedures and training have been put into place to ensure that patient information is not incorrectly commingled in other member files. Finally, controls have been put into place to monitor performance in these regards and ensure that member files have complete and accurate documentation.*

## **Auditor's Reply**

Based on its response, HopeHealth has taken the necessary steps to ensure that its noncompliant medical files have been properly updated to contain complete and accurate CTI Forms, Hospice Election Forms, and Discharge Summary Forms that comply with MassHealth regulations and that it is monitoring these activities on an ongoing basis to ensure that it maintains compliant medical files.