

**REINHART | BOERNER | VAN DEUREN
NORRIS & RIESELBACH, S.C.**

ATTORNEYS AT LAW

February 2, 2000

Senator Rodney Moen
P.O. Box 7882
Madison, WI 53707-7882

The Senate Health Utilities,
Veterans and Military Affairs Committee
Room 8 South
State Capitol
Madison, WI 53702

Dear Senator Moen and Committee Members:

My name is Burton Wagner and I am an attorney representing several of the counties and provider agencies involved in personal care audits. As an attorney, I will focus my remarks on the issues related to the inconsistencies in the information provided to the agencies who provide personal care services and the procedural failings of the application of the provider bulletin interpretations.

First, some of the inconsistencies in the existing material should be highlighted. These inconsistencies were identified by providers when the Medical Assistance bulletins first were published in the early 90s. Based on concerns of the providers, departmental representatives at that time told providers to do the best that they could, given these inconsistencies.

One example of inconsistency involves travel to a client's home. The Medical Assistance provider bulletins assert that in order to properly document travel, a worker must record on a daily basis the location from which that worker began to travel, the distance traveled, the time to travel, and the arrival time at the client's home. At the end of the day, the worker is to record the same information in reverse. As written, this directive would indicate that workers are paid for their time going to and from a client's home. However, elsewhere in the Department's

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directives are requirements which provide (1) any time from 1 - 44 minutes is to be billed as one-half hour; (2) travel is not paid based on actual time, but is limited to average time to travel by car between locations; and (3) travel must be redocumented for each day although a worker may make the same trip three or five or seven days in a week. In effect, the Division of Health Care Financing will not pay for travel which is by public transportation, or that takes longer in winter, or as a result of road construction. However, if a worker fails to note the time that the worker departs their home, the entire trip is disqualified although the information for six of the other seven days in that week is exactly the same.

Another example of inconsistency involves documenting the amount of time it takes to perform a specific task. The Department of Health and Family Services and the legislature have encouraged personal care agencies to combine sources of funding, both state and federal to assist disabled and elderly individuals to stay in their homes. Medicaid funding, however, only pays for certain services. As a result, during a four or six or eight hour day, an individual client may receive an array of services, some of which are reimbursable by Title 19 and many of which are reimbursable through the Community Options program or some other county-based program. Although a personal care provider agency is required, as a part of the prior authorization process, to identify those specific tasks which will be provided to a client and to determine the amount of time required to perform those tasks before authorization can be obtained, these determinations are ignored at the time of audit. At the time of the audit, the Medicaid auditors require that documentation include the specific time to perform a specific task for each and every day for each and every task. Unfortunately, when a worker is with a client in a home, many of these tasks overlap with non-reimbursable tasks and the times to perform specific tasks may vary from day to day. If certain tasks are not performed, they are not billed by the agencies. However, if the time to perform the task varies from day to day and exceeds the original estimate of time to perform the task, reimbursement is not provided even if billed. In addition, please recall that any effort provided by an agency worker between 1 and 44 minutes is billed as a half-hour.

These internal inconsistencies in the directions provided by Medical Assistance are now, eight years after the inconsistencies were identified, being

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used to take back money for services which everyone agrees were provided several years ago.

In addition to the internal inconsistencies, the Department is applying the Medical Assistance Provider Bulletins and the newly promulgated handbook not as a mechanism for interpretation and guidance, but as an absolute rule for purposes of reimbursement. However, the Department has failed to provide the procedural protections which accompany the implementation of a rule. Rules require publication, public hearing, public input, and legislative oversight. Guidance in interpretations of existing rules do not require those things. However, when guidance and interpretation becomes fixed and is applied as a rule, then the procedural safeguards related to rules must also be provided. In the current situation, personal care agencies have provided services based on the clear meaning of the Administrative Code. They have also done their best to follow the conflicting interpretations of these rules contained in the provider bulletins and by seeking input from departmental representatives. If everything were as clear as the Department would have you believe, it is inconceivable that an entire industry would be wrong in its understanding of what is required. Personal care agencies have learned from one another because of a lack of guidance by the Department. Personal care agencies which were a part of a home health agency have done better because the guidance from the Department was intended for home health agencies and not personal care agencies.

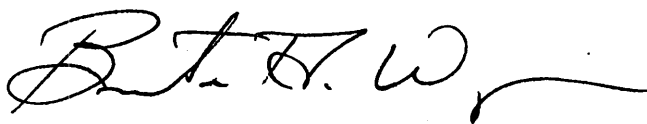
In closing, my request to this Committee is to direct the Department to limit its audits to the requirements of the Administrative Code and to acknowledge that interpretations of that code may be inconsistent. If the Division of Health Care Financing would acknowledge the inconsistent messages previously provided to these agencies, the auditors could spend more time determining whether or not services were provided fairly and reasonably rather than determining whether paper documentation based on arbitrary interpretations of the rules are the basis for taking back funds which have already been expended.

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Thank you for the opportunity to appear before this Committee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Burton A. Wagner", with a long horizontal flourish extending to the right.

Burton A. Wagner

MADISON61190BAW:TMS

February 8, 2000

Senator Rodney Moen
P. O. Box 7882
Madison, WI 53707-7882

Dear Senator Moen:

Per your Committee's request, the panel of providers that testified last week at the hearing on issues related to Medical Assistance Personal Care (MAPC) has developed a list of questions, comments and recommendations to be addressed to/by the Department of Health and Family Services (DHFS). This panel included representatives from Society's Assets (Racine, WI), Independence First (Milwaukee, WI), Community Living Alliance (Madison, WI), Bethel Home and Services (Vernon County), and Lori Knapp, Inc. (Prairie du Chien). We would like to extend our thanks for this Committee's time and attention to the issues surrounding Personal Care.

Comments

In response to the testimony from DHFS, the provider panel presents the following facts for your information and review:

1. DHFS testified that their auditing efforts have uncovered a number of instances where Personal Care (PC) Providers have committed fraud, and that these findings have led to criminal convictions of said PC Providers who are now serving time for those crimes. Response: An email from the Wisconsin Home Care Organization (WHO) was issued on 2/4/00 to providers regarding a discussion the Director WHO had with the Department of Justice. Per this discussion, there have been no convictions of any Medical Assistance (MAPC) Provider, not one Home Health Provider is currently serving time for Medicaid fraud and not one Wisconsin Home Health Provider, of any classification, ever served a day of prison time, state or federal, for Medicaid fraud.
2. DHFS also implied that the audits were conducted at least in part as a response to rapidly rising costs of Personal Care. DHFS stated that the cost for operating MAPC was currently \$93 million and in 2001 that cost would rise to \$99 million. Response: According to a state fiscal bureau memo dated January 28, 2000, the cost to operate the Personal Care Program for FY 2000 was approximately \$80 million ALL FUNDS (This is after \$.75 rate increase is implemented): \$48 million in Federal Medicaid funds and \$32 million in State GPR.
3. DHFS also noted that the increased amount of money spent on personal care increased when the consumer numbers remained the same and that was a red flag for audits as well. Response: Medical Assistance Personal Care is only 2.4% of the total Wisconsin Medical Assistance expenditures according to a report issued

by the Legislative Fiscal Bureau issued January 1999 for services provided in fiscal year 1997-98. The reasons for units of services per recipient increasing at a rate greater than the total number of persons served under MAPC are many:

- A significant portion of the units of which were formerly described as Home Health Aide hours were shifted into the MAPC service category since the change in regulations came about in 1992 (in an effort to save funds);
- The Federal Balanced Budget Act of 1997 has caused a cost shift from Medicare to MAPC Services with patients being discharged from hospitals and nursing homes much earlier and much sicker (needing much more intensive and higher levels of care). The MAPC population of recipients seen by personal care providers is chronically ill, getting older and sicker as the disability progresses, and as a result requiring more services;
- Some counties have such high waiting lists for county funded personal care services, which has led to greater efforts to maximize MAPC services;
- Counties have expanded MAPC services to group homes and CBRF's the last couple of years. Most of these individuals have already been in the Medical Assistance system.
- Agencies and counties have attempted to maximize the use of family members to provide increased services needed to existing cases. Agencies have difficulty opening new cases due to serious staff shortages in all parts of the State.

Recommendations

The providers recommend the following in working with DHFS to resolve the issues and problems regarding the MA Personal Care audits:

1. We would like to see the Senate Health Committee recommend that the Legislative Audit Bureau audit the Bureau of Program Integrity for the following items:
 - a. Methods of the audits;
 - b. Consistency (or lack of) between each audit. Discover what sort of precedent and past procedure exist on these audits. What audit methods were used and were these methods applied consistently from provider to provider;
 - c. What audit tool was being used and how was it applied;
 - d. We would also like to request that the Legislative Audit Bureau, prior to auditing the Bureau of Program Integrity, interview providers for their individual accounts of the audit process.
2. We would also like to see the following items for the future:
 - a. An annual review of the Providers (as noted in the Administrative Code for Personal Care Services) to educate providers on areas of

- documentation that may be lacking. DHFS should provide a certain amount of time to providers in order for them to correct these practices before auditing. A review or audit process should be done in a more timely fashion so if there is a problem the provider can correct it and go forward, not hang in limbo waiting for audit results for over a year.
- b. A published, consistent handbook that is properly developed within the formal rules making process that includes public hearings that will produce documentation of provider and consumer input before publishing and enforcing it. Also require the Department to provide adequate training to providers on the changes in the handbook.
 - c. A clear and standard audit tool. Wisconsin Personal Services Alternative, Inc. (WPSA) has worked with DHFS in the past on the development of an audit tool and would be willing to assist in this process.
3. We would not like to see a discontinuation of any further audit proceedings on non-traditional repayments (traditional repayments involve duplicate billing, billing errors, services not provided, etc.) until the above items have been provided or clarified. Audit proceedings based on a suggested lack of adequate or consistent documentation that is the direct result of a lack of clear consistent direction from the Department and the absence of a handbook need to stop. MAPC Providers are in favor of audits that are reasonable and fair and that eliminate fraud. We need a MA Personal Care Handbook that works. We need an audit tool that is clear. Then we can go through the audit process in a reasonable manner. Then the Department of Health and Family Services can go forward with audits that will truly monitor and improve the services provided.

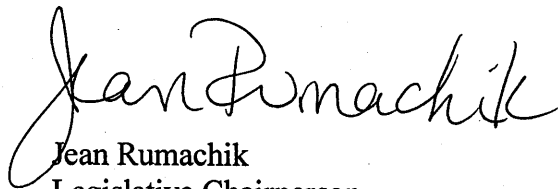
Questions

It is our hope that many of the following questions in reference to MAPC audits would be answered with an audit of the Bureau of Program Integrity by the Legislative Audit Bureau:

1. What is your definition of fraud? Is this fraud or inadvertence?
2. Is this a failure to provide services or to provide documentation?
3. Are all MA providers audited? If not, how were those that have been audited selected?
4. Is MA the only funding for personal care services? Does anyone else pay for this service?
5. Explain/discuss the difference between personal care only agencies and home health agencies doing personal care services.
6. Have providers been advised as to how to document blended funding cases?
7. How does DHFS help agencies accommodate different funding?
8. Travel time seems to be an audit problem, why is that?
9. Why was there no handbook for 12 years?

10. In regards to problems with Dr. orders not documented correctly, is there any question that the Dr. ordered the service? Do you take back money when cares were provided?
11. Of the audits completed, what amount of \$\$ could you potentially recoup?
12. What agreements have you come to with providers on these audit issues?
13. What percentage of the Personal Care Agencies would you estimate are actually involved in committing fraud as you define it?
14. Do you see any relationship between the activities of DHFS and the fact that 90 of these Personal Care Agencies have permanently closed their operations in the last two years?
15. When DHFS freezes payments to agencies when they initiate a claim, do the effected agencies, as a practical matter, ordinarily have any realistic means of financially surviving more than a few weeks or months?
16. What are the personal implications to the welfare of Wisconsin residents who require Personal Care Services to live independently when a Personal Care Agency terminates services?
17. What are the possible financial ramifications to Wisconsin taxpayers if a substantial percentage of the Personal Care Agencies are closed?
18. Audits should help agencies improve their practices. What kind of educational/instructional feedback do you have with providers with this audit process?

Sincerely yours,



Jean Rumachik
Legislative Chairperson
Wisconsin Personal Services Alternative, Inc. (WPSA)

Cc: Senator Brian Rude

Coalition of Wisconsin Aging GroupsTestimony before the Senate Health, Utilities,
Veterans and Military Affairs Committee

by

Thomas L. Frazier

February 2, 2000



The Coalition of Wisconsin Aging Groups would like to express our concern and support for the Medical Assistance Personal Care (MAPC) program in this state. As advocates for home and community-based care, we know that MAPC plays an important role in keeping older people and people with disabilities in their own homes.

Several years ago this legislature looked at the increasing costs in the Home Health Program and approved the creation of MAPC as a way to hold down costs and yet continue to provide these important services. The program did just what it was created to do. It held down the growth in the Home Health Program. MAPC also served as a mechanism to maximize federal dollars by tapping into Medical Assistance dollars for covered services, thus freeing up COP/CIP and in some instances county dollars.

Staff from the Bureau of Long-Term Support held training sessions for county long-term support agencies. These sessions taught counties about this program and how they could establish an MAPC agency. All along, the idea was to find new ways to serve the elderly and disabled and to stretch the existing inadequate COP/CIP dollars.

The needs did not go away when this program was established. As projected, the Home Health Care costs decreased and the Personal Care Costs grew. In 1995 there was a proposal in the budget to eliminate the Personal Care Program. This proposal met with a tremendous public outcry. The result of this advocacy was to save the program from elimination.

Over and over again, advocates and family members have told the Governor and their Legislators the importance of this program in the lives of this state's elderly and disabled. Over and over again we have reminded the Governor and our Legislators that this is one of the few long-term care programs that is also available to children. And, over and over again we remind the Governor and the Legislators that this is the only home and community-based long-term care program that is an entitlement and not capped with sum-certain funding.

We urge the Department of Health and Family Services to work with these agencies to resolve audit issues caused by unclear regulations. In a time of a statewide labor shortage, we cannot afford to lose any more MAPC agencies or personal care workers. We also urge this legislature to take up and pass AB-630.

My son, an adult with no assets, was injured when his car rolled end-over-end and he was ejected through the sunroof. He sustained a total enclosed head injury (same as shaken baby syndrome) on June 5, 1995.

As a result he was placed in a care facility for six months. Five of those in a comatose state, on total life support. We were told he would always be there the rest of his life.

In December of 1995 we convinced the medical doctor to put him in rehabilitation. In January of 1996 against medical advice we brought him home. (He smiled for the first time).

By August of 1996 I finally started to get some compensation for 30 hours a week of personal care (This was and is a 24-hour a day job!)

In a care facility the state was paying \$4,000.00 a month. So the last 48 months would equal \$192,000.00. Home care has been a saving to the state of \$32,800.00

Being in his own home and having a say in his own rehabilitation has made a tremendous difference in his recovery. He is alert and can almost walk alone. Speech is still difficult to understand.

Ruth Moser

BETHEL HOME & SERVICES, INC.

MISSION STATEMENT

We provide quality care in our communities for people who will benefit from health and residential services for the aging, guided by the Gospel of Jesus Christ.

Sen. Moran 2-2-2000

To the Committee Members:

On the eve of my 44th birthday I find myself in the same position I was on the eve of my daughter Jill's 20th birthday not too long ago. I have been given the opportunity to express to our state's legislators how profoundly their decisions regarding home health care is going to affect the very existence of their most vulnerable constituents. I humbly beg you to see the people beyond the dollar signs that seem to loom so largely before you. Our faces are all different - but our stories are so similar as they speak of the desperate need to maintain consistent and compassionate care within the home for medically fragile people in our state and in our country. Enclosed with this letter is our personal story. It is the story of a family. As I mentioned earlier - it is the eve of my birthday. What

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a great gift it would be to have
this committee look favorably and
positively toward this very important
home care issue. I am grateful
for the opportunity to be heard on
this matter.

Sincerely,

Mary B. Bakalar

2839 Brook Court

La Crosse, WI 54601

608-788-9774

This is a letter sent to Gov. Thompson.

Governor Thompson,

I am writing to tell you about my daughter Jill Anne Bakalars. She is a 19 year old with cerebral palsey. She requires total assistance in pretty much everything she does. Anything you can think of - she needs assistance in. This would exclude breathing and cognitive abilities including emotions. Jill has lived with her family for all of her 19 years. We have seen her through numerous surgeries, fed her every day of her life - bathed her - comforted her - loved , laughed and cried with her. She is our life. She has also influenced the lives of every single person who has crossed her path. She is the beloved and cherished sister to Daniel - only 15 months younger. We , as her parents and honored guardians, find ourselves in the saddest and strangest of times. For many years we have relied on the services of home health agencies in our area to provide quality services that enable Jill to live a comfortable , community-based life in our home. We are now faced with the loss of services. There are many people in this situation. I urge you to take a compassionate look at the home care situation. I know you would do anything to keep your child with you as we are trying to do. I invite you to our home and into our lives. You would never doubt that a family home is the best place for any person. Thank you.

Mary B. Bakalars

2839 Brook Court
LaCrosse, Wisconsin 54601

H.

**GREAT RIVERS
INDEPENDENT LIVING SERVICES, INC.**

4328 Mormon Coulee Road
La Crosse, WI 54601

(608)787-1111-Voice
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(608)787-1148-TDD/TTY
(888)474-5745-Toll Free Voice
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-----*Serving people with disabilities living in Southwestern Wisconsin*-----

February 1, 2000

To: Senator Rodney Moen – Chairman of the Committee on Health, Utilities, Veterans and Military Affairs

CC: Representative Mark Meyer, Senator Brian Rude

From: Great Rivers Independent Living Services, Inc.

Re: Medical Assistance Personal Care Services

The following stories are being provided to the Committee to show the need for continued MA personal care services.

AMBER

Amber is planning to attend UW-Stout in the fall of 2000, and is planning to major in Graphic Design. Her goal is to become a graphic artist. Amber has terrific creative and artistic potential. By all accounts, she is a superb artist. She creates original greeting cards and artwork on a request and/or commission basis. Amber is excited about the synergy of art and computers. She is optimistic about her future as a graphic artist. Amber is also a person with a significant disability. Therefore, it would be a tragedy if the lack of personal care services prevented her from realizing her dreams and her potential as an artist.

It is vital that she receives the appropriate personal support services now and in the future. Amber requires assistance with daily living activities such as eating, dressing, and bathing. Her mother currently provides these services to Amber at home. Amber has also relied on the services of an aide to provide these services to her while she attends high school. Amber is currently on the waiting list to receive services from Jackson County. It is vitally important that Amber should receive adequate, appropriate personal care services. Her ability to live independently and succeed at UW-Stout depends on these services.

A FAMILY

I have worked with a family that has twin teenage daughters with cerebral palsy. They also have a son without disabilities. Because there are often two personal care aides and/or home health aides in the home, it makes for a very busy household. I asked the mother how they do it. Personally I do not think I would want all those folks in my home. Her response was that the family could not survive without them. The aides that come in to their home provide a valuable service to the family. The aides provide many services including bathing and conducting exercise programs with the girls. The mother can make dinner while the father spends time with the son. Without these valuable services, this family would only be able to focus on meeting the needs of the girls, and not the rest of the family.

PAM

Pam is a 40-year-old woman who lives in the greater La Crosse area. She relies on Homecare services (both home health and PCW) daily. Three agencies are involved in her life on a daily basis. In the morning she receives assistance to get out of bed, go through stretching "range of motion" types exercise, and prepare for the day. She receives mid-day assistance for maintaining her apartment, and in the evenings, personal care workers assist her with the evening meal and getting in to bed.

Without these services, Pam would be unable to maintain an independent lifestyle, and would have to be living in foster care, or a nursing home setting even though she has no present nursing care or treatment needs. She spends time alone at home, minimizing her use of services to the necessary times of day, and utilizes family as emergency backup to homecare services. Pam recognizes that she is fortunate to have a supportive family, she has seen others who no longer have or have never had such an available resource for those times when services fail to meet their needs.

GRANDMA

My grandmother is currently 85 years old and living in an elderly apartment setting. Two years ago, my grandmother fell out of her wheelchair at her previous apartment. When she fell out of her wheelchair, she injured one of her legs and she was forced to go to a nursing home temporarily to recover. During her stay at the nursing home, she decided on her own behalf that she would stay there permanently.

My grandmother has no memory or cognitive issues; she just needs some assistance due to physical limitations. After she had spent about four or five months in the nursing home, she decided that it was not an appropriate place for her to live anymore. She wanted to return to the community and to live independently again. She felt uncomfortable in the nursing home because people were wandering in/out of her room at night and she said that most people at the nursing home were not very aware of their surroundings or daily events.

My grandmother lobbied for herself to return to an apartment and the majority of her children were opposed to this idea. They did not feel that she was capable of taking care of herself and she should remain in the nursing home. My grandmother received medical permission to return to an apartment if she had some assistance from home health care staff.

She has been living independently in her own apartment again for over two years. She has a home health provider that comes in twice a week to assist her with daily living needs such as bathing, fixing her hair, cleaning, and changing her bed sheets. She is very healthy and happy with this type of arrangement because she is independent again. She can cook the food that she wants to eat, she can take a nap when she wants, she can work on her knitting until late at night, etc. She has her life back again - a life that has meaning and purpose to her. She was not happy in the nursing home and she really does not need to be in a nursing home. Because she has a wonderful lady who can assist her twice a week around the apartment, she can live the way that she chooses to live.

Why would we want to ever condemn someone to live in a place that saddens him or her and takes away their lively spirit? What would we want for ourselves if we were faced with physical challenges in the future? I know that I want the chance to live in my own home and have the freedom to do the things that I enjoy until I can no longer breathe. Maybe at some point I will need some assistance to remain at home? I hope that there are still personal care/home health services available when I need them.

PERSONAL CARE WORKER - POINT OF VIEW

To whom it may concern:

I work for an individual and friend who is a quadriplegic as a supportive and personal home care worker, and also as a home health aide. Three of these hours are personal care services, which include the nighttime routine and part of the overnight hour's seven days a week. We were informed in August that the personal care agency I work for would no longer provide these services unless they were contracted through the county. There was no warning and little information from the agency as to what would happen to these hours and how this person would get the services he needs every day.

It took several months for our local county board to approve funding through the end of 1999 and a few more months to approve funding through the year 2000. This person's life is hanging in limbo, as his future is uncertain depending on the availability of homecare.

I watch nervously as employee newsletters announce \$10,000-\$15,000 monthly deficits and wonder how they will continue to run this program. It frightens me to wonder what will happen to those individuals who only receive PCA funding to help them remain in their homes. I have been a provider for this individual for years. I am underpaid and receive very poor benefits. I am committed to this individual and would probably continue providing the same level of care without getting reimbursed for it, so he can maintain his quality of life. I would be working the same amount of hours with much less pay; which is not very much any way. Should this person or myself have to pay for your inability to see that people deserve a quality life?

The answer to this problem lies within the reimbursement rate home care agencies receive for providing this services to people in their homes. Nursing homes and other types of out of home settings cost much more money than providing home services.

I ask that you support an increase in personal home care funding so those agencies can continue to run these programs. This will allow individuals to continue to receive much needed services, and aides (those who have remained in this field) can receive a livable wage.

Thanks for your attention in this matter.

Julie Van Den Heuvel

LORIE

If I did not have a Personal Care Worker or if my personal care were to cease, it would dampen my world.

Every morning, a Personal Care Worker comes into my home and assists me with daily living activities such as bathing and dressing. If I did not have this assistance I would not be able to leave my home and participate in the community. Further, if I did not have a Personal Care Worker, I would not be able to go onto graduate school at all.

Basically, without Personal Care, my world would close back up again.

COMMUNITY

I know many individuals that would be impacted by a personal care crisis. Several individuals in the La Crosse community depend on personal care services each day in order to go to work, perform daily living skills, basically live independently.

One gentleman that I know of in particular thoroughly enjoys his daily routine and would not be able to continue this if he did not have a little assistance. He would not have the social opportunities that he currently has and would become very isolated. He is a human being, a very social individual, and his life would change dramatically if he did not continue to receive his come in support. This change would not be a positive change.

A personal care crisis would impact many people - providers, consumers, family members, employers, and many others. I don't believe that many people consider the ramifications that a personal care crisis has in a community. This service is and always will be needed. People's lives change. Today an individual may be totally independent. Tomorrow that same person may require some assistance due to an accident or debilitating illness that has surfaced. What would you want for yourself in this situation?

MARGE

Marge is a 59-year-old woman who lives in a small town in southern Wisconsin. Marge has been living with ALS for many years. Marge is a very spirited woman who is determined to maintain her independent lifestyle; despite shortages in home care workers. Marge requires assistance with all daily living skills including bathing, dressing, eating and grooming. Marge also needs assistance with preparing meals and housekeeping.

Marge has always been responsible for recruiting her own personal care workers, who are then hired and paid by one of the two struggling home care agencies in her area. (Marge is lucky to have two home care agencies in her area, as many home care agencies around the state are closing their doors because of lack of funding.) Marge has been struggling to recruit providers in her area because there is a large factory that pays individuals a high starting wage and offers health insurance benefits. Because of this competition for employees Marge has to rely on her 87 year-old-mother for support when there is not a provider available. Marge has been forced to utilize nursing home care for months at a time while searching for a home care provider. She spends her nights at the nursing home to get the care she needs. Marge would then have her mother transport her to the apartment she currently maintains and would spend her days there.

I feel that if the direct care providers were paid a decent, living wage, Marge would not have to piece together such an expensive option in order to maintain her independence. The increase in the reimbursement rate would allow agencies to pay personal care workers a decent wage, while offering the agencies the support they need to keep their doors open to provide the service.

DONNA AND IVAN

Donna and Ivan married and are senior citizens who reside in subsidized public housing. Both of these individuals have extensive health issues and disabilities. These issues have impaired their ability to provide for all their daily health care and maintain their small apartment independently. Home care allows them to remain in their apartment and continue to live together as man and wife. Without such care Donna (who is protectively placed by the court) may be required to reside in a more restrictive setting such as a group home, and Ivan who has more physical health care needs may have no options other than utilizing a nursing home.



Vernon County Human Services

W-2 Agency



P.O. Box 823
Viroqua, Wisconsin 54665-0823

Phone 608-637-5210
Fax 608-637-5505

MA PC Public Hearing Testimony

*Presented by Vernon County Department of Human Services
To the Senate Health Committee on
Wednesday, February 2, 2000*

How unfortunate that the State feels the need to balance its budget on the backs of the impoverished elderly and vulnerable developmentally disadvantaged children. It is true that these populations don't have the assets to hire a lobbying firm to represent their interests in the legislature. Their value and worth to their communities still remains immeasurable and constant. What's it worth to keep an individual out of an institution and in a less restrictive environment or in their own home? Shall we ask "Jerry" and his family?

"Jerry" is an autistic 16-year-old who is also cognitively challenged. When it became necessary for safety reasons to place him outside of his home, he went to a group home rather than to the Chileda Institute in La Crosse thanks to the Personal Cares program. The cost of care at the group home was \$100.44/Day...**\$36,660.60** for the year. The amount Personal Cares contributed was about an additional \$10,000. Had he been placed at Chileda, the cost for his care would have been **\$93,456.00**. Not only does this *not* make any economic sense...it highlights a complete lack of common sense.

We expect *more* from our elected officials and can hold them accountable in the ballot box. Certainly we should be able to hold the State's Bureaucracy to the same standards and accountability. Is it the right that Vernon County's elderly should suffer the loss of their independence because the State *failed* to give *clear and concise* guidelines? Vernon County received the first manual for Personal Cares on January 31, 2000!

Let's insist on returning personal integrity to the system that serves our elderly by demanding that the State be held to the same standards as its elected officials. It needs to listen to our consumers/constituents and be more responsive to their needs. Trying to "slip one by" the public like this reminds me of receiving an income tax rebate a couple of weeks ago only to discover that we lost the renters' and real estate tax credit for the State.

Sincerely,

Maribeth Solverson, Supervisor
Family and Children's Services

February 2, 2000

Dear Senate Health Committee Members,

It has come to my attention that funding for Personal Care Workers in Wisconsin is in danger of being lessened or discontinued altogether.

As a parent of a developmentally disabled 29-year-old daughter, Linda, who is currently receiving help from a Personal Care Worker, I want to tell you how valuable this assistance is to our daughter and to our family.

While she is often cheerful and smiling and is able to walk, nevertheless she is unable to talk, feed herself, dress herself or use the bathroom. Therefore, she can't tell us when something is wrong and depends on someone else for her every need.

Last summer we moved to Dane County from Pierce County and my highest priority was to pursue the availability of services for Linda. I heard about Community Living Alliance (CLA) and called them for help. They were extremely kind, helpful, and very patient with me as I searched for help for Linda. CLA told me I could help look for a care-giver for Linda in my community. This I did. I talked with eleven different persons; some came for interviews and many were interested in the job until I told them the pay was \$8.00 an hour. Since many of them were making \$11.00 to \$15.00 per hour in nursing homes, etc., they were not interested in my offer. The young lady who finally agreed to come (although she was making \$10.00 per hour at her former job) did so only because I told her, "Maybe they'll raise the rate." Now I fear this may not happen.

Currently, I am receiving personal care help for Linda five days a week, and this has been a life-saver for me. Now I have some time each day to live as a "normal" person with time to do something other than care for someone else.

Before we received personal care up in Pierce County and I was so very busy with Linda, my doctors would commend me for taking very good care of her. But then they would add, "But who's taking care of you?"

And this is the real situation. A lot of us who have special needs people in our homes do as well as we can to care for them, often at great sacrifice to ourselves and other family members. Personal care workers fill a very valuable need to our families. They provide assistance to the person who needs it and time and freedom to the family who often desperately needs a break from the situation. Personal care workers provide us with quality in our lives. Unless you have walked in our shoes, you can't know the urgency with which we all need help. We're not looking for anything other than a way to keep a balance in our lives.

Therefore, I would hope that your committee will see fit to not only continue funding, but increase the hourly wage as well.

Yours very truly,

Lois Pikoske

8811 Colby Rd.

Mt. Horeb, WI 53572



Testimony for the Senate Committee on Health, Utilities, Veterans
and Military Affairs
February 2, 2000

Thank you for giving me the opportunity to submit written testimony for the consideration of your committee. My name is Valerie Brown and I am a recipient of personal care services. I also work full-time as an Independent Living Services Coordinator.

I rely on personal care services daily to help me with such tasks as bathing, dressing, and meal preparation. These services enable me to live independently. If these services did not exist, I would not be able to live in my own home. I would not be able to work and be a taxpaying citizen. I would be forced to live in a nursing home. Five years ago I had to live in a nursing home for seven months because of a broken leg. That was one of the worst periods in my life. The quality of care I received at the nursing home was abysmal. Call lights would go unanswered for as long as an hour because the facility was so short-staffed. I had no control over my life; no choice as to who I lived with, when I ate my meals, what time I got up in the morning, etc. Nursing home care is also expensive. It would cost the state **more** to pay for my care in a nursing home than to provide personal care services to me in my home.

I currently receive personal care services from Elder Care of Dane County. Recently, however, I was informed that Elder Care would no longer be providing MA personal care services because the reimbursement rates are so low that they are losing money. This means that I now have to find a new agency that will accept me as a client. Currently, there are only two agencies in Dane County that still provide MA personal care services. Both of these agencies are facing audits from the Department of Health and Family Services. I am very concerned about the effect these audits will have on personal care provider agencies. These agencies are already struggling because of the very low reimbursement rates. The MA reimbursement rate for personal care services has only gone up 25 cents in the last 10 years; this doesn't even begin to keep up with the rate of inflation, not to mention provide a competitive wage to workers. If these agencies are fined hundreds of thousands of dollars (because the state failed to provide them with proper written policy guidelines), they will not be able to stay in business. And if these agencies are unable to stay in business, then that means there will be **no** personal care services to people in Dane County. What it means to me personally is that I will have to quit my job and go into a nursing home. From a humanitarian and economic standpoint, I do not see how that can be in the best interest of the state of Wisconsin.

Senate Hearing Testimony, Provider Pannel

February 2, 2000

Senators: Moen, Breske, Robson, Erpenbach, Welch, Rude, and Drzewiecki,

My name is Ginger Reimer, Program Director for the Personal Services Program at IndependenceFirst located in Milwaukee. IndependenceFirst is an Independent Living Center, which allows us the opportunity to be a Certified Provider of personal care service through Medical Assistance. The PAS (Personal Assistance Services) Program began in 1992 for a population of consumers who were typically being underserved by the home care industry in Milwaukee. Medically stable consumers of all ages who were going to need long term care and support to remain in their homes and out of nursing homes. I have been with the program since spring of 1995, and assumed the Director position in August 1998.

IndependenceFirst was the first PCW only provider to have an audit 1996 and 1997. On September 8, 1998 we were notified that we would be audited by the Bureau of Health Care Financing starting on September 21, 1998. We were requested to provide a room to accommodate four auditors. This letter also addressed that the time period for this audit would be January 1, 1996 through December 31, 1997. The purpose of this audit will be to determine personal care services provided to Medicaid recipients were documented and billed appropriately. Ninety-eight consumer records and 49 PCB personnel records were reviewed. Information that was still needed to be copied, I sent to Marsha Musillami at her request **October 1, 1998**, I also requested if there were any other questions or concerns that I may be able to clarify she was to call me. In my career, I have experienced a number of audits, two previously with this agency, I welcome the chance to review the way we are conducting business, and to be made aware of areas we should improve on. This audit by far was most different from the previous audit we had where the way we documented for services was never to be identified as a problem area. was the first PCW. I received no calls or requests to provide any further materials.

I received the Preliminary Findings February 19, 1999, 5 months later, giving us 30 days to submit complete amount of their finding, which was \$122,968.40, and if I disagreed with the findings, I had 14 days to respond.

March 3, 1999 I sent letter to Marsha Musllami expressing the overwhelming discrepancies found between the audit findings. I requested a ,meeting to be set up where I could bring my records and discuss the discrepancies in person, it was apparent that the documentation was there, but somehow missed. I also addressed the meeting that I would be attending with Alan White, and suggested we set the date after meeting with Mr. White. I also requested of her an extension in time to get this information in to her, with all the discrepancies between the records I felt it necessary to review them as carefully as possible. I did receive a call from Marsha granting the extension to April 5. But no response to a personal meeting

A letter was sent to Peggy Bartles from our attorney expressing the opportunity to have a personal meeting, not just for our agency, but also those who were audited and faced the same concerns.

April 2, 1999, I sent a letter to Marsha Musillami with partial responses to the Preliminary Findings, at which point I was able to identify 30% of the documentation that was needed to address items on the audit findings.

I sent a letter then to Peggy Bartles, April 23 requesting her assistance in the arrangement of a meeting.

A letter was sent to Alan White April 29, 1999 requesting responses that were presented to him and is staff at a meeting on March 23, 1999. This letter was sent by our attorney on behalf of the agencies present at the meeting.

May 18, 1999 I again sent a letter to Peggy Bartels, again asking for clarification regarding the status of the audit and to request a personal meeting with herself or the appropriate member(s) of her staff. At the time of this writing, I had received no response regarding my request.

I received a certified letter May 25, 1999, dated with a letter of intent to recover. The amount was adjusted to \$101,647.66 based on additional information that I had provided - but not near to what I felt it to be - and mostly because there were items I had still requested clarification on. At this point I felt the only way we could go was to submit a request for a hearing. Our attorney took it from there.

I received a letter dated November 3, 1999 stating that the Wisconsin Medicaid program had amended the Notice of Intent to Recover letter and intends to recover overpayments made to IndependenceFirst in the amount of \$65,994.56. A final stipulation as not yet been signed.

Sixty-seven percent of the total amount they want to recover is Travel Time. There has never been a question that services were provided and that some sort of travel time was needed. Most of our PCW's rely on the bus system, there is no way they can record an odometer reading and put actual mileage time spent getting to the consumer when we have been clearly told travel time has to be based on the shortest distance. We believe what we are doing with travel time is "reasonable".

Respectfully Submitted;

Ginger A. Reimer, Program Director

Personal Assistance Services

IndependenceFirst 600 West Virginia, Suite 301 Milwaukee 53204

I have worked @ Lori Knapp Inc's
Cass St. home for 7½ yrs.

There are 5 consumers in this home
who are affected by the personal care
flow sheets.

This has added 2½ hrs. per wk for
charting alone.

This is 2½ hrs. being taken away
from direct cares.

The state has made the decision
to remove people from institutions?
nursing homes.

Now the homes provided are being
turned into mini nursing homes + institutions.

I have not heard of anyone other than
licenced nursing in nursing homes + institutions
standing over someone with a stop watch
tracking times of personal cares.

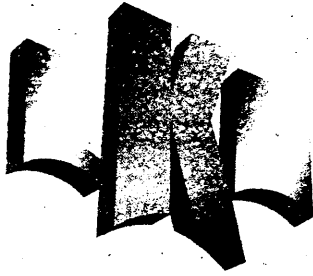
I cannot destroy the dignity of
the people I serve by doing this.

The cares are being done.

we have no instances of skin break down
or neglect.

Rather than complicating the lives
of personal care workers and the consumers
we serve, we need a way to simplify
documentation of cares.

Thank you.



OUR 28TH YEAR

Lori Knapp, Inc.

106 South Beaumont
Prairie du Chien, WI 53821
(608) 326-5536
(608) 326-4255, 24-hour fax
e-mail: stevew@pcii.net

Testimony for Senate Health Committee Hearing, February 2, 2000

Submitted by: Steve Mercaitis

I am the Program Director of Lori Knapp, Inc. (LKI) of Prairie du Chien. 28 years ago the Knapp family took their daughter Lori out of a state institution and placed her along with 6 other children in the first group home in the state of Wisconsin. That was the beginning of community-based services for people with disabilities in the state of Wisconsin.

The children grew up and so did the organization. LKI now provides services to people with disabilities (developmental, physical, the elderly, mentally-ill, dementia) by contracting with Grant, Richland, Ashland, La Crosse, Bayfield, and Crawford Counties. LKI now employs over 250 staff and serves over 500 consumers. In Crawford, La Crosse, Richland, and Ashland many of those consumers are in the MA Personal Care Program. LKI either administers the program (for Richland County Community Programs), or contracts with the other counties to provide staff and training in various degrees.

Since the audits have begun, LKI has had to make many changes and adjust to different ways the various counties run the Personal Care Program. When it became known that Brown County was cited for time-in/time-out issues, the Crawford County Health Department required our staff to record times for specific blocks of tasks for each consumer. Previously, the staff only wrote the times that they began and ended work, using the check mark system to record cares completed. (This was originally how the staff was trained, and until the audits the state consultants from DHFS said that was acceptable.) Our staff are not professional accountants, but caregivers. If the staff had only one consumer, recording each task would be difficult enough. Having several consumers with multiple funding sources, it makes it impossible for the staff to record time of the cares correctly. If the staff are doing a personal care for a consumer, like preparing a bath, and run to check on a non-personal care for another consumer, then come back to the bath, the recording becomes a nightmare. Multiply this time 3, 4, or even 6 consumers receiving personal cares in a home and the recording requirements become ludicrous. They're being asked to do a task that not even nursing homes require. (See actual PC time sheet for two consumers living in the same home.) Since the averages (according to the Minnesota Median) are no longer being accepted, and the impossibility of correctly recording times, LKI is losing \$2,000 to \$4,000 per month over what it was getting before the audits, even with the addition of a high needs consumer from a state institution receiving several hours of care per day. The consumers are still receiving the same or better level of care; we're just not getting paid for it. To survive in Crawford County, we have had to close one of our homes and consolidate our consumers (2 bed homes to 3 bed homes, 3 bed homes to 4 bed homes, etc.) Unless something is done, we will soon run out of options to make up the lost revenue.

In all of our counties that we contract with, LKI is running into similar problems because of the fear of audits hanging over the counties. Each county has different ways of recording times, from task specific to a simple in/out. Ashland County Health Dept. after several months of development has a time sheet that our staff was just trained to use. Talking with the head Ashland PC nurse this week, there is the fear that that won't be acceptable. One county, La Crosse, has us submit PC bills reflecting only monthly charges. Another county, Richland, has us submit PC bills reflecting daily charges. Each county was told by the Department or EDS that they had to do it that way, although one method contradicts the other. Trying to figure documentation and policies regarding travel from county to county is a total miasma.

The Richland County Personal Care Program is LKI's greatest concern. We personally administer the program for Richland County Community Programs. When we began the program about four years ago we sought advice from Alice Mirk of DHFS. She was a great asset, and referred us to Bethel Homes and Nancy Anderson now of CLA as experts in the way they were doing their Personal Care Program. Unfortunately, both Bethel and CLA have been audited and cited for their procedures that we modeled.

I became very much involved in the pc issue last year because of our commitment with Richland County. Attorney Burt Wagner gave an update on his negotiations with DHFS and the audits at a WPSA Meeting in early September 1999. His remarks included an agreement with the DHFS that a simple time-in/time-out for a shift with check marks would be acceptable. He stated that he was as "confident as he could be confident" that the agreement he reached with the DHFS would be accepted as policy. I put out a memo to our various providers with his remarks. (See memo from me dated 9/12/99). That agreement lasted about 2 days. LKI has been trying to come up with a suitable way to record since.

In December I wrote Representative Brandemuehl appealing for help on the Personal Care crises, especially referring to the audits turning up procedural errors, and not the willful intent to deceive or fraud as DHFS is claiming. David forwarded my letter to Secretary Leean. In the Secretary's response he said several personal care agencies were being investigated by multiple federal and state agencies. Only Counties, Tribes, County Health Departments, and Independent Living Centers can be Personal Care agencies, and I know of no County, Tribe Health Department, or ILC that is being investigated at this time. (See correspondence from Brandemuehl, Leean, and myself.)

Earlier, I stated that Richland County is LKI's greatest concern. We are not only responsible for the administering of the program, but our contract with Richland County also includes a financial responsibility on the part of LKI for audit exceptions. If Richland County is cited for these non-clear procedural errors, like time-in/time-out, we as an agency are through. 28 years of serving people would be ended in bankruptcy, 250 people would be out of a job, and most significantly 500 people would be without services.

Client Name

Aide Signature *Becky Bolott*
Kelly Hochendahl
Cathi Army

Title
 CNA
 CNA
 CNA

Initials
 BB
 KB
 CR

	Sunday			Monday			Tuesday			Wednesday			Thursday			Friday			Saturday		
	Date (MM/DD/YY)																				
	AM	PM	HS	AM	PM	HS	AM	PM	HS	AM	PM	HS	AM	PM	HS	AM	PM	HS	AM	PM	HS
1. Prosthesis/Orthotics, TEDS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Assist w/ Ambulation	180	215	100	180	180	105	225	180	105	180	180	115	225	180	105	180	210	105	180	215	100
3. Range of Motion/Exercise	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Transfer Assistance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. Turning/Repositioning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. Assist to bathrm/commode																					
7. Peri care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. Bowel Program																					
9. Gath Care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10. Bathing assistance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11. Eye Glass/Hearing Aid Care																					
12. Nail Care																					
13. Denture Care																					
14. Oral Hygiene	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15. Hair Care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16. Dressing/Undressing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
17. Shaving																					
18. Skin Care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
19. Foot Care																					
20. Assist w/feeding/snacks	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
21. Medication Assist																					
22. Accompany to MD/Therapist																					
23. Meal Planning/Meal Prep																					
24. Light Housekeep/essential to PC																					
25. Change Bed/Laundry Bedding & Personal Clothing																					
26. Clean Equipment																					
27. Other (specify)																					
28. Other (specify)																					
TOTAL																					
Initials	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB

Please document any comments in the space provided on the back of this sheet.
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OUR 28TH YEAR

Lori Knapp, Inc.

106 South Beaumont
Prairie du Chien, WI 53821

(608) 326-5536

(608) 326-4255, 24-hour fax

e-mail: stevew@pcii.net

December 5, 1999

Representative David Brandemuehl
P.O. Box 8952
Madison, WI 53708

Dear David,

I am writing to appeal for your help regarding two issues that will be coming before the legislature this month. The first issue for your consideration is to give your support to Representative Mark Meyer's bill for special legislation to increase the personal care reimbursement rate. The second issue is support for an action to come before the Joint Committee on Administrative Rules regarding the publishing of the Personal Care Handbook.

Both of these issues are different, but related. Mark Meyer will be trying to introduce his legislation on December 10th. Although our district is not one that is targeted as a crisis area, I still feel a crisis exists in the district. Lori Knapp, Inc. is responsible for running an adult day care in Grant County. The rates have not changed significantly for many, many years and they are tied to the personal care MA rate. My wife also works with Grant County Social Services. Although there are several agencies still in existence in the county, it is sometimes difficult to try and find workers to perform the services necessary for those with needs to remain in their homes. One of the main reasons I feel is due to the strong economy, and the inability to compete with decent wages for our personal care workers.

The second issue has to do with the Personal Care Handbook and the audits now being conducted by the Department of Health and Family Services. It seems that the audits have gotten out of hand, and there is no way to clarify what are rules and codes unless the legislature looks into the entire Personal Care matter. When Personal Cares were started in 1988 several codes and rules were enacted. As situations arose that were not covered by codes and rules, opinions and suggestions were given to the various personal care agencies by consultants from the Department on what should and should not be policy. Now the Department of Health and Family Services is trying to publish a manual to cover some of these situations. However, what is stated in the new manual is not what was told as policy by various consultants from the Department to the personal care agencies.

I feel as we all do that the Department is under obligation to audit for fraud, but their audits have not turned up fraud but unspecified procedural errors. Apparently, the Department wants the manual out, as do the agencies, but there is a big discrepancy on language contained within the manual and what was accepted as policy. Everyone, the Department, consumers, and agencies are all under the gun and in a Catch 22 situation. I think these clarifications need to come from you in the legislature. The calling for a resolution to come before the Joint Committee on Administrative Rules is supported by the various state agencies, including: The ARC, The Survival Coalition, The County's Association, Wisconsin Personal Services Association, The Nursing Home Association, the Wisconsin Coalition for Advocacy, Wisconsin Council for Independent Living Centers, etc. Senator Brian Rude is going to sign onto this effort and you will probably be receiving a letter from him. Gerry Born (former administrator of DHFS), Executive Director of the ARC, and Burt Wagner, Attorney, are both heavily involved in getting this issue before the Joint Committee.

Any consideration you may give to these matters would be greatly appreciated. You have always been a tremendous help concerning the issues of the district, and I personally thank you for your past endeavors. I am also a bit embarrassed to mention what happened to your efforts regarding the Rustic Road petition. It appears that all that the folks wanted along Barker Hollow Road was to stop our project. Once they realized that more work would probably be needed, the people living on the road asked that it not be considered for the Rustic Road program.

Sincerely,

Steve Mercaitis,
Program Director Lori Knapp, Inc.; Millville Town Chair; WPSA Legislative Committee

Cc: Representative Mark Meyer, Gerry Born, Attorney Burt Wagner, Katie Boyce,
WPSA Legislative Committee



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leraan, Secretary

December 27, 1999

DEC 29 1999

The Honorable David Brandemuehl
Wisconsin State Assembly
P.O. Box 8952
Madison, WI 53708

Dear Representative Brandemuehl:

Thank you for your letter regarding issues raised by Steve Mercaitis on the Wisconsin Medicaid Personal Care Provider Handbook and the personal care audits of Medicaid-certified providers.

The Department of Health and Family Services (DHFS) routinely publishes and updates Medicaid provider handbooks to assure providers have a complete reference guide for general Medicaid policies found in Chapter 49, Wisconsin Statutes, and the Wisconsin Administrative Code, HFS 101-108. In addition to the all-provider handbook, DHFS publishes specific handbooks for selected provider groups. Provider-specific handbooks incorporate all previously published information regarding a particular area into a single document, including information provided through Medical Assistance Provider Bulletins (MAPB), Medicaid Updates, and provider training sessions.

Like provider-specific handbooks in other service areas, the new personal care handbook summarizes Wisconsin Medicaid personal care policies and billing information, including detailed information regarding covered services, limitations, prior authorization requirements, and billing and documentation procedures. The Personal Care Provider Handbook incorporates only current Medicaid personal care policy and billing information into a single source, in lieu of distributing all prior personal care publications as separate documents. The information in this handbook, as well as all of the prior documents from which it is compiled, is based on administrative code and statute with code citations throughout.

During its development, DHFS sent out for review and comment over a hundred preliminary draft copies of the handbook to organizations that represent personal care agencies, governmental agencies, advocacy groups and departmental advisory committees. We were gratified to receive extensive editorial comments from a broad representation of those who will use the handbook; many of these comments were included. As part of the review, our staff also discussed the handbook with three members of the Department's Home Care Advisory Committee, including representatives of the Wisconsin Homecare Organization (WHO), the Wisconsin County Human Services Association, and the Wisconsin Personal Care Services Association (WPSA), on whose Legislative Committee Steve Mercaitis serves.

~~The Honorable David Brandemuehl~~

Wisconsin State Assembly

December 27, 1999

Page 2

The comments of all the participants who took part in the review process were helpful. They not only identified policies that required further clarification in the handbook, but also pointed out policy issues that may benefit from consideration in the future. Subsequent changes in personal care policy will be reviewed by these same advisory committee members, then published, first in Medicaid Updates and later in Personal Care Provider Handbook revisions.

We hope that the regional training sessions that will be held at four sites throughout the state after the first of the year will increase participants' understanding of how to use the Personal Care Provider Handbook and increase their efficacy as Medicaid providers.

We would also like to take this opportunity to address the concerns raised by Mr. Mercaitis regarding the personal care audits conducted by DHFS. Mr. Mercaitis mentions in his letter that, while he understands DHFS has a responsibility to audit for fraud, the audits of personal care agencies have only turned up unspecified procedural errors.

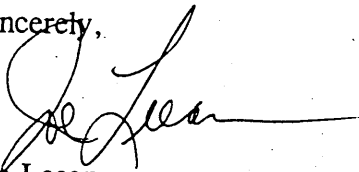
First, the Department's fiduciary duty is to ensure that all payments for services provided to Medicaid recipients are reasonable and appropriate, regardless of whether there is fraudulent behavior. The federal government holds the state agency responsible for ensuring that payments are in accordance with federal rules and regulations. So while procedural errors may seem insignificant, the federal government fully expects and requires DHFS to recover monies associated with these errors.

Second, several of the audits conducted by DHFS of personal care agencies have indeed turned up fraudulent activity. These audits have resulted in referrals for investigation by both state and federal law enforcement agencies. In addition, the Federal Bureau of Investigation, Internal Revenue Service and the United States Attorney have executed search and seizure warrants at several providers related to the Department's personal care review, and criminal charges are now pending.

Finally, we also use the audit process and findings to identify opportunities to further train and provide technical assistance to Medicaid-certified providers. Through these initiatives we seek to assure that the quality, access, and cost-effectiveness of health care for Medicaid recipients is improved.

Thank you, again, for your inquiry and for providing us an opportunity to clarify the issues you have raised.

Sincerely,



Joe Leean
Secretary



LKI MEMO

OUR 27TH YEAR

DATE: 09/12/99
TO: DON KNAPP, ADMINISTRATOR
CC: FRED NAATZ, GRANT COUNTY SOCIAL SERVICES; TERI BUROS, RCCP;
NANCY NELSON, RCCP SUPERVISORY RN; SARA RYAN, CRAWFORD
COUNTY HUMAN SERVICES; RITA SCHMITZ, HOMEWARD BOUND;
PAM HAMANN & TOD KNAPP, LORI KNAPP, INC.; BURT WAGNER,
ATTORNEY; CRAWFORD COUNTY NURSES
FROM: STEVE MERCAITIS, PROGRAM DIRECTOR
RE: DHFS AUDITS & MAPC HANDBOOK
PRIORITY: [URGENT] **CONFIDENTIAL:** ✓NO

On Tuesday, Sept. 7 and Wednesday Sept. 8, Pam Hamann, Margie Rice, and I attended the WPSA Conference at the Wintergreen Hotel in the Wisconsin Dells. Two very significant updates were presented at the conference.

The first concerns the DHFS audits. Burt Wagner, attorney representing Community Living Alliance and Independence First, gave an update on the audits. Both these agencies were cited for issues regarding time in/time out and travel time. He has been meeting on a weekly basis with Allan White of the Audit Bureau and attorneys representing DHFS. Over the course of the summer depositions were given by Pooler, Mirk and Boushon (LTC DHFS employees responsible for setting up and advising regarding MAPC issues). Wagner summarized data from the three employees. The summary essentially says clear directives were not given because the way the policies were set up the system didn't work. On the authority of the three employees agencies were given the latitude to do what was necessary to make the program work for them.

Mr. Wagner stated the following remarks. His preface after meeting with White and the DHFS attorneys was that he is as "confident as I can be confident" that what he presented to us would be accepted as policy. DHFS and the Audit Bureau have never contended that fraud was involved, just exact following of procedures (that were unclear) was not followed. Regarding time-in/time-out Mr. Wagner stated, "Forget documenting the same way. Just have a policy and procedure that your agency follows and stick to it. It is unreasonable to claim time for cares. You can go with open-ended time-in/time-out. When a PARF is done, the assumption is it is composed of a number of tasks, and only must show that the work is done. It is not necessary to have workers show a chronology of time, but can continue with check marks. You only must have documentation of when the worker arrived and when the worker left. You don't have to do specific times on the care sheet. It requires reasonable documentation, and workers time can be done on a time sheet. How and when cares are done in a particular day is up to the consumer and the provider." Further clarification touched on providing personal cares during an eight-hour shift. If only two hours of cares were done during that workers time, and if a system of check marks were used

documenting that the cares were completed, and if the worker only wrote their in/out times on a time sheet, the assumption that the cares were provided in that eight hours would be accepted and no further documentation would be needed. Mr. Wagner stated that times do not need to be recorded on a care plan or care sheet. That is a convenience to the auditors and defeats the purpose of the MAPC program.

The DHFS Audit Bureau is currently conducting desk audits, and has been citing counties for billing MAPC during consumer's hospital stays. Again, Mr. Wagner received a clarification on this issue. If a person is discharged from a hospital in the morning and cares are provided in the afternoon, those cares can be billed. He stated, "It is a wash and it is acceptable and okay." The only issue is to make sure the time is documented as performing the cares after the consumer is discharged or admitted as the case may be.

Pam Hamann also asked Mr. Wagner, "We were told that to bill for a personal care task that the consumer participates in and that the worker doesn't perform the entire task is fraud. They have also stated we cannot bill for a personal care worker if the nurse has not done the orientation first, as in an emergency fill-in." Mr. Wagner then stated, "They are over reacting. I will take your questions to Allan White and get you a more definitive clarification. There are no fraud prosecutions for good faith estimates. Nobody prosecutes for good faith compliance." The consensus of opinion is that when you are serving persons with developmental disabilities, because of cognitive disability, you must be there at all times and even though hands-on isn't done, it is still billable.

I will continue to be in contact with members of WPSA, Community Living Alliance, and Independence First. I will try and get a written confirmation of current and upcoming developments, and keep you posted.

The second issue is the MAPC Handbook. As of Wednesday, Sept 8, the Handbook needed one more person to check it over and would be distributed in a few days. WPSA would be allowed to make comments as a group on the Handbook. A committee was formed, and Rachel O'Brien (paralegal working with John Albert, attorney) was hired to be the liaison to assimilate comments to present to DHFS. Both Pam Hamann and myself are on that committee, and will either be sending or meeting with Ms. O'Brien to formulate rebuttals to the Handbook. Today Lori Knapp, Inc. received a 200-page draft copy of the Handbook. As anticipated by members of the committee it is a basic compilation of the MAPC updates and does not meet the requirements for accepted policy, especially in light of Mr. Wagner's negotiations with DHFS.

I hope this clarifies some of the touchy issues regarding Personal Cares, and we can move forward to do what is in the best interest of the consumers. If you (or anyone I am sending a copy of this memo to) have any questions, please get in touch with Pam Hamann, Margie Rice, or myself. We all would be happy to share regarding these significant issues.



Bethel Home and Services, Inc.

614 South Rock Avenue ❖ Viroqua, Wisconsin ❖ 54665-1999

HELPING HANDS TESTIMONY

Rod Moen Hearing

February 2, 2000 – Madison, WI

Senator Moen, Honored Members of the Committee, Ladies and Gentlemen,

My name is Clark Nordberg and I am the Executive Director of Bethel Home & Services located in Viroqua, Wisconsin. Bethel Home & Services is Christian Ministry of the Evangelical Lutheran Church of America. We are sponsored by 30 local congregations in the LaCrosse area synod. Bethel Home & Services was established 1947 as a 501-C-3 tax exempt organization.

Bethel Home & Services is a 121-bed skilled nursing facility, 66 beds of group home care including CBRF and RCAC care, divided among four institutions, 40 beds of independent housing and Adult Daycare serving up to 15 clients per day. We also have in excess of 150 home care clients utilizing the Personal and Supportive Home Care program, which is at dispute today. Bethel Home has always tried to build a continuum of care in order to best serve its constituency. Bethel Home is located in Viroqua, WI which is just 30 miles Southeast of LaCrosse. Viroqua is the county seat for Vernon County, one of the poorest counties in the State of Wisconsin based on the last census taken. It had been questioned throughout this process why Vernon County's utilization of personal care was so high. I would propose that due to the aging population of our citizens in combined with the economic status of our county, we attempt to access as many programs as possible through the State of Wisconsin to deliver care to citizens of our County.

Bethel Home's history with the personal care program began approximately 10 years ago when we entered into a contract with Vernon County. Bethel Home Care Program now employs 150-200 providing RN's, Coordinators, scheduling and accounting people for the Personal Care and Supportive Home Care Program alone. In 10 years of participation in the personal care program Bethel Home did not receive a provider handbook. When clarification of the administrative code governing the program was requested we had been told repeatedly at our WPSA meetings to "do the best we can", "a handbook will be out soon". The Department of Health and Family Services has issued several Medicare provider bulletins on program policy. Many of these have been confusing and contradicted one another, as well as being contradicted by State policy analysts whom have spoken about the program at our provider conferences.

Service to the Elderly ❖ A Social Ministry of the Evangelical Lutheran Church in America

608-637-2171 ❖ Fax: 608-637-8303

The program has grown over the past 10 years to meet the needs of Vernon County. The program meets personal care needs of elderly, young adult and children as clients. Bethel Home is a member of Wisconsin Personal Services Alternatives, Inc. or WPSA. Annually Bethel Home & Services performs a customer satisfaction survey of our clients. In this process we received positive feedback almost without exception. Bethel Home Helping Hands personal care program has had several compliance audits from the State. At no time in the past have representatives noted concerns about the care given or the documentation that we had provided of that care. Yet the 1999 audit cited numerous documentation errors. It is noted that the State has made reference to the fact that they audited only a small portion of our records in this last round of audits. The truth is that they requested the complete record for every client for the past two years. That is not a small percentage of our records.

Throughout our history with this program the State has reimbursed us at a relatively low rate. Prior to this year the personal care program has received a total of 4% in revenue increases from the State since 1997. This year the budget allowed for a 50 cent per hour increase with an additional 25 cents beginning in July. This is the first substantial increase we have received in the past three years.

The process we use for submitting bills for care provided to the State is as follows:

- Bethel Home documents the allowed charges for providing care on a bill, which is submitted to Vernon County.
- Vernon County then in turn bills the State.
- The State of Wisconsin reimburses Vernon County for the amount billed.
- Bethel Home in turn receives a portion of that reimbursement per our County contract.

It should be noted that the State of Wisconsin reimburses its personal care program at a substantially less rate than its neighboring states. For details on this information I would reference the attached WPSA facts sheet. Bethel Home receives \$11.66 per hour from Vernon County per our contract. In the spring of 1999 Bethel Home experienced an audit from the Department of Health and Family Services. What follows is our experience with the audit and the results of that audit.

As I stated, in the spring an audit was performed by approximately eight auditors. This is unusual in that typically only 1 or 2 auditors have been on-site to perform our annual audit. During the audit process the entire record for all of our clients for the last two years were requested. Bethel Home representatives were not able to retrieve all of the information during the time of the audit so we were instructed to make copies of the information that was needed and send it on to the State. We have complied with that. At no time did the auditors review the documentation with us or allow us input as to interpreting the documentation.

In September of 1999 Vernon County received a preliminary audit finding indicating a recoupment amount of \$789,468.03. Bethel Home and Vernon County immediately contacted WPSA and its retained legal council from Reinhardt Norris in Madison. The audit findings were as follows:

- Lack of documentation
- Lack of MD orders
- Billing in excess of services provided
- Incomplete record
- Lack of documentation of travel time.

It is important to note here that we have been able to supply information and documentation accounting for each and every one of these citations, however it is not in the format that the State desires, therefore, the State has disallowed the entire years worth of care for each of the residents in question. We feel this is unfair and irresponsible on the part of the State and that is why we are here today.

It is equally important to note that if the State notifies HCFA the Health Care Financing Administration of this recoupment action we will automatically forfeit 60% of the recoupment amount, whether we repeal or not. HCFA will recoup the monies by subtracting them from the bills that we submit. Bethel Home & Services cannot afford to stay in the personal care business if this happens. We will need to discontinue the personal care business and could seriously affect on our entire corporation.

I would like to respond to the audit findings.

Lack of documentation: Bethel Home feels it has supplied adequate documentation by way of copying hundreds of requested records and forwarding them to the State via the U.S. Mail. These are records we could not find at the time of the audit and we have since forwarded to DHFS. We are unsure if the State has gone through these documents with respect to their investigation. We would be willing to go through each document with the State and try to work out a reasonable understanding of them.

Lack of M.D. orders: Bethel Home has signed and dated MD orders for each every client. These orders are done on an annual basis by way of completing a prior authorization. That is why in this case the entire years worth of care is being disallowed or recouped. We feel this is unfair. It is important to note here that the dispute is not as to whether Bethel Home provided the care, but that we did not document the care in the fashion the State requires for this particular program. Bethel Home is prepared to provide affidavits from all of the clients receiving care indicating that the care has indeed been given. The issue we were not able to document M.D. orders in the way that this particular program requires; specifically because we have not had a handbook or clear, consistent guidance in the last 10 years.

Billing in excess of services provided: The auditors feel that Bethel Home billed the program for services on days when the clients were in the hospital. We feel our records indicate that we did not bill for hospital days. We would be happy to review this documentation with the auditors at any time.

Incomplete records: Bethel Home cannot respond to this, as we have not had a chance to discuss these findings with the State. However, we feel that this once again may be an issue of our not being able to pull the documentation fast enough during the audit process, copying the balance of the information and submitting it to the State via the postal service. Once again, we are not aware as to whether the State has received, opened, or studied the information prior to this audit finding.

Lack of documentation of travel time: This issue is very frustrating as we feel the State has issued direction in the past of how to document travel time, which they now feel is unacceptable. This is another example of confusing and conflicting direction we have received from the State during the 10-year experience with this program. We are willing to work with the State towards resolution of this issue.

The most frustrating part of this audit is we have never been allowed input into the response of the audit findings. There is not dispute as to whether the care was actually given, and yet in every case where a documentation question was found the entire years worth of care has been disallowed. This is devastating to an agency like ours and many others in the State in that we are allowed a very small surplus on our program. Therefore it is not possible to pay this kind of recoupment.

It is equally important to note here that over 90 Personal Care programs in the State have closed since 1987.

Finally, issues since the audit. Bethel Home, Vernon County officials, legal council and WPSA representatives have met several times with Allan White of the Department of Health and Family Services who appears understanding of our issues at the time of the meeting, but reluctant to work towards compromise. The Department of Health and Family Services has hastily drafted a provider handbook for the personal care program. Providers have identified problems with this draft and yet the State has gone ahead and published the book and are supposedly mailing it despite numerous objections by the industry. The State maintains that their direction has been clear, however many if not all of the providers in the State remain confused as to how the State would like them to proceed with documentation of their program. I would submit that if all of the providers within the State of Wisconsin are confused as to what the processes are within this program, perhaps the Department of Health and Family Services ought to examine the direction it has given in the past and work with the providers in the state toward realistic guidelines.

In conclusion I would urge you to stop the promulgation of this handbook and ask DHFS to reconsider its action in these audit findings. Thank you for your time.

Respectfully submitted,

Clark Nordberg, B.A, M.B.A., N.H.A.
Executive Director – Bethel Home & Services Inc.

Helping Hands Testimony
Sen. Rod Moen Hearing
2-1-2000

- 1) Bethel Home & Svs. Description and History
 - A) Christian Ministry of the ELCA
 - B) Sponsored by 30 Congregations in the La Crosse Synod
 - C) Established in 1947 as a 501-C-3 tax exempt organization

- 2) Bethel Home Description
 - A) 121 bed Skilled Nursing Facility
 - B) 66 beds of group home care including CBRF and RCAC type Care
 - C) 40 units of Independent housing
 - D) Approx. 100 – 120 Home Care Clients utilizing Personal and Supportive Home Care.
 - E) Adult Daycare for up to 15 clients per day.

Note; Bethel Home Has tried to build a Continuum of care in order to best serve its constituency.

- 3) Bethel Home's History with the Personal Care Program
 - A) Established approx. 10 years ago through a contract with Vernon County.
 - B) The program has grown to meet the needs in Vernon County.
 - C) The program meets the personal care needs of elderly, young adult and children as clients.
 - D) Bethel Home is a member of the Wis. Personal Services Alternatives, Inc. (WPSA)
 - E) BHSI Personal Care is the only agency left in the LaCrosse area. Two hospital based programs have discontinued their Personal Care programs.
 - F) We provide employment for 150-200 Providers, RN's, Coordinators, Accounting and clerical people in the Personal Care program.
 - G) In ten years of participation in the Personal Care Program Bethel Home did not receive a provider Handbook. When Clarification of the Administrative Code governing the program was requested we have been told repeatedly to "do the best we can" "a handbook will be out soon"
 - H) The Dept. has issued several Medicaid provider bulletins on program policy; many of these have been confusing and have contradicted one another as well as being contradicted by State policy analysts at WPSA mtgs.
 - I) Annually the program performs a customer satisfaction survey of the Clients receiving positive feedback almost without exception.
 - J) Bethel Home's Helping hands personal care program has had several compliance audits from the state. At no time in the past have representatives from the state of WI. Documented concern about the care given or the documentation of that care. Yet after the 99 audit the State cited care and documentation problems.
 - K) Prior to this year the personal care program has received a total of 4% in revenue increases from the State in the 3 years. (since 1997) This year the Budget allowed for a \$.50 per hour increase, with an additional \$.25 in July.
 - L) Bethel Home documents the amount of care given and submits a bill to Vernon County who in turn bills the State of Wisconsin.
 - M) The State of WI. reimburses for personal care at a rate substantially less than it's neighboring states, Please reference the attached MAPC fact sheet , published by WPSA
 - N) Bethel Home receives \$11.66 per hour from Vernon County per our contract.
 - O) In the spring of 1999 Bethel Home experienced an audit from the Department of Health and Family Services.

4) Bethel Homes Spring 1999 Audit and Results

- A) The Spring Audit was performed by approximately 8 Auditors. This is different as usually only one or two performed the audit
- B) During the audit the records of most of our clients for the past two years were requested. Bethel Home representatives were not able to retrieve all of the information requested at the time of the audit. **At no time did the auditors review the documentation with us or allow us input.** Bethel Home also filed a complaint against an auditor who was quoted as saying, "I hope you've learned your lesson".
- C) In September 1999 Vernon County received the preliminary Audit Findings indicating a recoupment amount of \$789,468.03.
- D) Bethel Home and Vernon County immediately contacted WPSA and Burt Wagner for Advise.
- E) **If the State notifies HCFA of the recoupment we will automatically forfeit 60% of the recoupment amount whether we appeal or not. We cannot afford to stay in the business of personal care if this happens.**
- F) The Audit findings are as follows;
 - ◆ Lack of Documentation
 - ◆ Lack of M.D. orders
 - ◆ Billing in excess of services provided
 - ◆ Incomplete record
 - ◆ Lack of Documentation of travel time

5) Bethel Home Response to the Audit findings

- A) Lack of Documentation – Bethel Home feels it has supplied adequate documentation by way of copying hundreds of requested records we could not find at the time of the audit and sending them to DHFS. We are unsure if the state has gone through these documents we would be happy to review any of this with the auditors
- B) Lack of M.D. Orders – Bethel Home has signed and dated M.D. orders for each and every Client. **The State feels we did not have the orders dated in the proper location, so they disallowed the entire years worth of care.** We feel this is unfair.
- C) Billing in excess of Services provided – The Auditors feel Bethel Home billed the program for services on days when the clients were in the Hospital. Our Records reflect that we did not bill for Hospital Days. We would be happy to review this documentation with the auditors.
- D) Incomplete Record – Bethel home cannot respond to this as we have had not had a chance to discuss these findings with the State. We feel however that it may be another issue of not being able to pull the documentation fast enough during the audit, balance of information we feel has been sent to the State. We would be happy to review it with them.
- E) Lack of Documentation of travel time – This issue is very frustrating because the State has issued, in the past, a matrix of how to document which they now feel is unacceptable. This is another example of the confusing direction we have received from the state during our experience with this program. We are willing to work with the State towards resolution of this issue.

****The most frustrating part of this audit is that we have never been allowed input in to the audit findings, and There is no dispute as to whether the care was actually given, and yet the entire years worth of care has been disallowed.**

6) Issues since the audit

- A) Bethel Home, Vernon County, legal council and WPSA have met several time with Allen White of DHFS who seems understanding of our issues but is unwilling to work towards a compromise.
- B) The State of WI. DHFS has hastily drafted a provider handbook for the Personal care program. The problems with this draft are numerous, and yet the state has gone ahead and published the book and are supposedly mailing it despite numerous objections by the industry.

****Note**** The State maintains that their direction has been clear, however many if not all of the Personal Care providers remain confused as to how the State wants them to administer the program.

**TESTIMONY FOR THE SENATE COMMITTEE ON HEALTH, UTILITIES,
VETERANS & MILITARY AFFAIRS**

**2/2/00 – SENATOR MOEN’S HEARING ON MEDICAL
ASSISTANCE PERSONAL CARE AUDITS**

Thank you most sincerely Senator Moen and other committee members for having this hearing on the Medical Assistance Personal Care (MAPC) Audits.

My name is Jean Rumachik. I am Director of Home Care Services, for Society's Assets, Inc. (SAI), a non-profit, Independent Living Center, servicing persons with disabilities in Racine, Kenosha, Walworth, Rock and Jefferson counties. Our agency has been operating for over 25 years and provides an array of health and social services to assist people in living independently.

I have over 20 years of experience administering community-based, home care and ancillary services to individuals in southeastern Wisconsin. I have supervised our agency's MAPC Program since we received our certification from the state in 1988. We were one of the first agencies to begin to provide personal care services after the program became available as of July 1, 1988.

In 1999, our agency provided MAPC services to over 600 persons with disabilities. We employ over 600 aides/personal care workers. We are one of the largest MAPC providers in Wisconsin and one of the few providers continuing to operate a personal care program in the counties we service. We take pride in the fact that we offer quality, cost-effective personal care services.

After ten years of providing personal care services, our agency received a notice in September of 1998 from the Bureau of Health Care Financing, Provider Audit Unit, that we would be audited beginning on 9/28/98. I am enclosing a copy of this letter with my testimony. I have to say, although I was not thrilled to go through a state audit, I was surprised to receive this notice (after ten years of providing this service) and curious to find out the audit criteria and to learn how my agency measured up. Having been audited many times through the years by various funding sources, I had learned to view audits as an educational experience.

I immediately called the contact person listed on the letter from the state to ask her to send me a copy of the audit tool they were using. The contact person said she would have to find out from someone what the tool was but she would do that and fax it to me. I never did receive that fax. That is ok, I thought, the auditors will of course bring the tool with them when they come here.

When the four auditors arrived at my office, I, and some of the other supervisory staff met with the auditors at the entrance interview. My frustration and confusion over this audit process began. I asked again for a copy of the audit tool and the auditors told me they had no written tool, everything was in their computers. When I asked them how I was to follow along with the audit process when I had nothing in writing to identify the criteria they would be following, they said they would be following the Administrative Code, Provider Bulletins and Memos and the handbook. I told them that personal care had no handbook and they referenced the Home Health Handbook. I told them that that handbook did not apply to our agency as we were a personal care only agency.

I submit to you a copy of a letter I sent to Lori Thornton, Chief of the Provider Audit Unit on October 2, 1998 that highlighted my frustrations and concerns regarding this audit. My basic concerns are:

- Why did they audit 200 some files at our agency when they audited random files at other agencies? Most auditors audit a random sample of files and extrapolate the findings.
- There is no audit tool for providers to follow.
- Auditors did not ask many questions which concerned me as they mentioned they were not used to auditing Personal Care Agencies.
- We requested the opportunity to go over areas of concern or confusion as they came up with the auditors. The auditors stated that they would take back their notes and copies and send us a report and then we could respond.
- Where was the consumer satisfaction/quality assurance component of this audit?
- There was no MAPC Handbook for use as a reference guide.

I also submit to you a copy of the response from Lori Thornton dated October 29, 1998. Ms. Thornton did attempt to provide explanations for my questions although they were vague. She also explained that the auditor independently reviews the medical records and enters findings. Then the audit findings are reviewed again to assure that the computer entries were accurate. Then there is an administrative and management review. She stated that the review of the audit report usually took several weeks and then a report would be sent to me along with the preliminary findings letter.

It is sixteen (16) months since the auditors left my office and I have not received any correspondence from them regarding the results of this audit (except payment for the 9,145 copies they made of consumer files while they were here). I have been waiting for a report and a resolution to this audit for longer than I think it should be necessary to complete the audit process. I feel very strongly that my MAPC program is providing services according to all the regulations and policies as expected of this program; however, if the auditors have identified a problem with something my agency is doing how would I be able to make any changes if I have not been advised of the problem? Why does the audit process take so long for some providers and not for others? Who decides to send one provider audit findings and not another, when both were audited around the same time? Why do they continue to audit providers when they do not finish the audit process with other providers?

I am one of the original founders of Wisconsin Personal Services Alternative, Inc. (WPSA) which is a state organization made up of personal care providers. This organization was started in 1990 to address the need for personal care agencies to have an organization to help them provide quality, consumer-focused, cost-effective personal care services. Through the years, WPSA has had representatives from the Bureau of Health Care Financing attend group meetings three to four times a year to discuss regulations and policies. WPSA members were working with the Department on the development of a MAPC handbook in 1992. We also had been working with the state on an audit tool. Both of these initiatives abruptly ended and we never understood why because their completion was of such importance for auditing purposes.

WPSA members have looked forward to the state conducting provider audits that would help improve the provision of personal care services and audits

that would be educational. Unfortunately, we have only seen audits that that been punitive and pecuniary.

As a provider of personal care services and as a Board Member of WPSA, I thank you again for taking the time to listen to these concerns and I ask for your help in resolving these audit issues.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Jean Rumachik". The signature is written in black ink and is positioned above the typed name.

Jean Rumachik
Director of Home Care Services
Society's Assets, Inc.
5200 Washington Ave., Suite 225
Racine, WI. 53406

PH: (262) 637-9128



Tommy G. Thompson
Governor

Joe Leean
Secretary

September 14, 1998

Ms. Jean Rumachik
Society's Assets, Inc.
5200 Washington Avenue, #225
Racine, WI 53406

Re: Provider Number 43101300

Dear Ms. Rumachik:

The purpose of this letter is to inform you that Society's Assets, Inc. will be audited by the Bureau of Health Care Financing (BHCF), starting on September 28, 1998.

The auditors will plan to arrive about 10:00 a.m., and to be at your agency for approximately five days. We would greatly appreciate your assistance in making a room available, with a table that can accommodate four auditors. If possible, the auditors would like to meet with you to discuss the audit process and answer any questions you may have at the time of arrival.

The purpose of this audit will be to determine whether PCW services provided to Medicaid recipients were documented and billed appropriately. The dates of services that will be reviewed are January 1, 1996 through December 31, 1997. Records will be requested during the course of the audit. The auditors will attempt to coordinate working with your staff to ensure that treatment activities are not interrupted when charts are needed for clinical purposes. During the audit, pertinent documents may be copied for inclusion in the audit working papers. Further information may also be requested at a later date, if necessary, to complete the audit report. You will be informed of the specific nature of any audit findings and provided with a copy of the final audit report.

Enclosed is a partial list of recipients that will be included in the audit. Please have the recipient medical and financial records available for review.

If you have any questions, please call Janet R. Bohms, RN at (608) 261-6738. Thank you in advance for your anticipated assistance and cooperation.

Sincerely,

Lori K. Thornton, Chief
Provider Audit Unit
Bureau of Health Care Financing

Enclosure



State of Wisconsin

Department of Health and Family Services

DIVISION OF HEALTH

1 WEST WILSON STREET
P.O. BOX 309
MADISON WI 53701-0309

October 2, 1998

Ms. Lori K. Thornton, Chief
Provider Audit Unit
Bureau of Health Care Financing
Department of Health and Family Services
Division of Health
1 West Wilson Street
P.O. Box 309
Madison, WI. 53701-0309

Dear Ms. Thornton:

Your office sent a letter to Society's Assets, Inc. dated 9/14/98 stating that your auditing staff would be auditing our agency beginning at 10:00 A.M. on 9/28/98. Your staff did enter our office at the expected arrival time on 9/28/98. They have been here since and have mentioned that they will go to our Kenosha office next Monday and then they will be back to our Racine office on Tuesday to complete the audit and exit interview..

Our agency staff have been through many varied audits through our 24 years of operations including audits by Racine County Human Service Department, Kenosha County Department on Aging and Long Term Care, yearly financial audits by our accounting firm, Clifton and Gunderson, and have also participated in home health surveys with our subsidiary agency, SAI Home Health Care, Inc.

Accountability is a responsibility we take very seriously. We expect all of our funding sources to require our compliance in areas of financial accounting and bookkeeping, clinical/consumer care, payroll and billing, and quality assurance. We open our doors to all of our funding sources in any of these areas of operations. Our agency has looked upon all audits as learning tools and not as a punitive system. We believe audits and surveys help us improve the quality of the services we provide, or this should be the end result.

I have some grave concerns regarding this particular audit as it has proceeded so far because of the following reasons:

- The auditors have asked for over 200 consumer files for years 1996-97. Most audits I have been a participant in have done a random sample of 10-15% of the files and if the auditor finds a problem then they audit more files. This leads me to believe this audit is totally pecuniary in purpose
- I am used to auditors/surveyors providing our agency with a written list of criteria they will be auditing, some type of scoring system for auditing

purposes, a systematic time frame which states how many days before they respond in writing to our agency regarding the audit results, how many days we have to respond to these results, etc.

When the auditors first met with our staff on 9/28/98, I requested a written criteria from them delineating what they would be looking at. They said they could not provide me with anything in writing as it was only in their computers. I asked them to please send me/provide me with something in writing and they again said they had nothing to give me, it was in their computers. They said they had listed every hour of personal care services per consumer listed for 1996 and 1997 and they would be verifying hours billed. They also said they would be checking for medical necessity of cares provided and therefore they would look at the consumer files for documentation backup.

- Although we have explained our consumer chart contents and order to the auditors, our nurses are concerned based upon some of the questions the auditors have asked that they do not understand what they are looking at. There appears to be some general lack of understanding of the services we provide and our system of documentation. The auditors have stated that they are not used to auditing Personal Care Only Agencies. I made it a point to tell them that even the term "medical necessity" has a different meaning for personal care services versus home health skilled cares.

The auditors are asking very few questions, which is somewhat surprising, as personal care services have their own set of procedures different from other home health and nursing services. Personal care services do not have a handbook like home health services. I am aware that the State has been working on a personal care handbook for at least five years. Every agency providing personal care services has their own unique documentation and filing system based upon their interpretations of the Administrative Code and the Medicaid Memos and Updates.

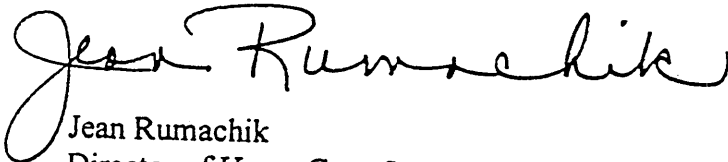
- We have requested the opportunity to go over areas of concern or confusion when they come up, if they come up. The auditors have stated that they will take back all their notes and copies and send us a report and then we can respond. They would not say how long before they send us the report. It seems counter productive for us not to be able to discuss areas of concern if they occur while the auditors are still here. If not it can only be anticipated that we will spend additional time and money on verification? It would seem far more cost-effective to address any potential issues/concerns as they are identified.
- All other audits I am familiar with have had a quality assurance component with consumer satisfaction of particular importance. There is no attention

to consumer satisfaction with this audit. Medical Assistance Personal Care Services were originally designed to provide needed assistance with the ADL's of people who are chronically ill and severely disabled (higher cost cases). This was the intent of this program and this is what has been accomplished. Shouldn't some consideration be given to the people receiving services to see if they are getting the services needed, if they are happy with the quality of the services? The quality assurance component is lacking from this audit.

I look for your assistance in helping our agency understand the exact nature and purpose of this audit procedure. I asked Janet Bohms if there was a specific complaint issued against our agency, and that is why the auditors were proceeding in such a secretive manner. She said no, that we were selected at random and because we are one of the largest MAPC agencies. As I expressed to Ms. Bohms, I feel that there is a great need for further explanation/clarification of intent, purpose and procedures.

Thank you for your immediate attention to this letter.

Yours sincerely,

A handwritten signature in cursive script that reads "Jean Rumachik". The signature is written in black ink and is positioned above the typed name and title.

Jean Rumachik
Director of Home Care Services
SOCIETY'S ASSETS, INC.