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September 9, 2021

BY ELECTRONIC MAIL

Ms. Deborah Delvecchio
Chief Operating Officer
Chrill Care, Inc.
201 Bloomfield Avenue
Verona, NJ 07044

RE: Final Audit Report: Chrill Care, Inc.

Dear Ms. Delvecchio:

As part of its oversight of the New Jersey Medicaid program (Medicaid), the Office of the State Comptroller, Medicaid Fraud Division (OSC) conducted an audit of Medicaid claims submitted by and paid to Chrill Care, Inc. (Chrill), for the period from August 1, 2014 through July 31, 2019 (audit period). OSC hereby provides Chrill with this Final Audit Report.

Executive Summary

OSC conducted an audit of Medicaid claims submitted by and paid to Chrill to determine whether Chrill billed for home-based Personal Care Services (PCS) in accordance with applicable state and federal laws and regulations. Specifically, OSC reviewed Chrill's PCS claims billed under the Centers for Medicare and Medicaid Services Healthcare Common Procedure Coding System (HCPCS) code T1019. OSC's review consisted of two phases.

In the first phase, OSC identified Chrill's PCS claims that coincided with hospital paid claims for the same beneficiaries for the same dates of service. From a universe of 250,606 PCS claims billed under HCPCS code T1019, totaling \$13,598,701.98 paid to Chrill, OSC identified 58 claims, totaling \$3,325.76 paid to Chrill, for which Chrill billed and received payment for PCS provided to beneficiaries in their homes while these beneficiaries had inpatient status in a hospital setting. Upon review of the documentation, OSC found that for 7 of the 58 claims, totaling \$178.24 paid to Chrill, Chrill's documentation did not

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support the PCS because the beneficiary was in a hospital setting, not at home, when Chrill allegedly provided at-home services.

In the second phase, to review the remainder of Chrill's PCS claims, OSC removed the 58 apparently overlapping claims from the universe of 250,606 claims, leaving a net universe of 250,548 claims, totaling \$13,595,376.22 paid to Chrill. From this net universe, OSC then selected and reviewed a statistically valid sample of 125 claims, totaling \$10,882.84 in Medicaid reimbursement. From its audit of these claims, OSC determined that 8 of the 125 claims, totaling a net difference of \$284.89 in reimbursement, failed to comply with state regulations. Of those 8 deficient claims, MFD found that Chrill overbilled 7 claims, totaling \$333.28, and under billed 1 claim, totaling \$48.39. Specifically, OSC found that Chrill failed to: a) accurately bill the number of units for services performed by personal care assistants (PCAs) for 3 claims; and b) document supervisory evaluation of the Plan of Care (POC) and PCA once every 60 days for 5 claims.

In sum, OSC determined that Chrill improperly billed 8 of the 125 sampled claims, for which Chrill received total net payment of \$284.89 (\$333.28 minus \$48.39). For purposes of ascertaining a final recovery amount, OSC extrapolated the net adjusted dollars in error for these 8 failed claims to the total dollars in the population of claims from which the sample claims were drawn, which in this case was 250,548 claims with a total payment amount of \$13,595,376.22. After extrapolating the sample dollars in error over the entire universe, OSC calculated that Chrill received an overpayment of \$599,036.60. Additionally, OSC seeks reimbursement for 7 of the 58 claims, totaling \$178.24, for services improperly provided to beneficiaries while these beneficiaries had inpatient status in a hospital setting. In total, Chrill received an overpayment of \$599,214.84 (\$599,036.60 plus \$178.24) that it must repay to the Medicaid program.

Background

The Division of Medical Assistance and Health Services (DMAHS), within the New Jersey Department of Human Services (DHS), administers New Jersey's Medicaid program. Medicaid is a program through which individuals with disabilities and/or low incomes receive health care services. DMAHS contracts with five managed care organizations (MCOs) to administer certain health care services to Medicaid beneficiaries. PCS are provided to Medicaid beneficiaries who experience functional impairments and need assistance with activities of daily living such as dressing, bathing, toileting, or feeding. PCS can also include assistance with Instrumental Activities of Daily Living, such as meal preparation and grocery shopping. These services enable Medicaid beneficiaries to remain in their homes and minimize reliance on institutionalized settings, such as nursing facilities.

Chrill Care, LLC located in Verona, New Jersey, was founded in 1948 and serves patients throughout Essex County, as well as surrounding areas.

Objective

The objective of this audit was to evaluate claims billed by and paid to Chrill to determine whether these claims complied with applicable state and federal laws and regulations.

Scope

The audit period was August 1, 2014 through July 31, 2019. The audit was conducted under the authority of the Office of the State Comptroller as set forth in *N.J.S.A. 52:15C-23* and the *Medicaid Program Integrity and Protection Act, N.J.S.A.30:4D-53 et seq.*

Audit Methodology

OSC's methodology consisted of the following:

- Reviewed the universe of 250,606 claims, totaling \$13,598,701.98, billed under HCPCS code T1019 and identified 58 overlapping claims in which PCS were provided to beneficiaries while these beneficiaries had inpatient status in a hospital setting.
- Selected a statistically valid sample of 125 claims, totaling \$10,882.84, from a net universe of 250,548 claims, totaling \$13,595,376.22, billed under HCPCS code T1019. (The population of 250,548 claims, from which the sample was selected, excluded the 58 identified claims where services appeared to be provided to beneficiaries while they had inpatient status in a hospital setting.)
- Reviewed Chrill records related to 125 sampled claims to determine whether the documentation provided complied with requirements of 42 CFR § 440.167(a)(1), *N.J.A.C. 10:49-9.8(a)*, *N.J.A.C. 10:49-9.8(b)(1)*, *N.J.A.C. 10:49-5.5(a)(11)*, *N.J.A.C. 10:49-5.5(a)(18)*, *N.J.A.C. 10:49-11.1*, *N.J.A.C. 10:60-1.2 (3)*, *- (1)*, *N.J.A.C. 10:60-3.5(a)(1)*, *N.J.A.C. 10:60-3.5(a)(2)*, *N.J.A.C. 10:60-3.6(a)(2)*, *N.J.A.C. 10:60-3.8(a)*, *N.J.A.C. 13:37-14.3*, *N.J.A.C. 13:45B-14.4 (a)*, *- (c)*, *N.J.A.C. 13:45B-14.9(a)*, and *N.J.A.C. 13:45B-14.9(g)*. Also, reviewed Chrill records for 58 overlapping claims to determine whether the documentation provided complied with the requirements of *N.J.A.C. 10:49-9.8(a)* and *N.J.A.C. 10:60-3.8(a)*.

Audit Findings

A. Chrill Failed to Perform In-Home Evaluations of the PCA and the Plan of Care within 60 Days

Pursuant to state regulations, Medicaid PCS providers are required to perform an in-home evaluation of a beneficiary's POC not less than once during each 60-day period. PCS providers must ensure that a registered nurse (RN) provides an in-home evaluation to determine if the PCA is providing hands-on personal care according to the POC and to determine whether the services meet the beneficiary's needs. To ensure adherence to the

regulations, Chrill requires its RNs to document each evaluation visit by completing the Supervisory Visits of Home Health Care Aides/Companions/Housekeepers form (supervisory visit form), and the form must be signed and dated by both the PCA who is being evaluated and by the supervising RN.

OSC reviewed documentation to determine whether Chrill completed the in-home evaluation of the PCA and POC at least once every 60 days. Through its review of supervisory forms, OSC found that for 5 of the 125 claims, totaling \$304.72, Chrill failed to complete the in-home evaluation at least once every 60 days. For example, in the case of Beneficiary [REDACTED], who received services on August 22, 2016, the supervisory visit form provided by Chrill was dated February 29, 2016. This means that a period of 175 days elapsed without Chrill having performed an evaluation. In this case, by not providing an evaluation of the PCA and this beneficiary's POC within the 60 day timeframe, Chrill left the beneficiary vulnerable to improper implementation of the POC and improper hands-on personal care by the PCA. By failing to properly document evaluations once every 60 days, Chrill violated *N.J.A.C. 10:49-9.8(a)*, *N.J.A.C. 10:60-3.5 (a) (2)*, and *N.J.A.C. 13:45B-14.9(g)*. See Appendix A for claim detail.

Pursuant to *N.J.A.C. 10:49-9.8(a)*, "providers shall certify that the information furnished on the claim is true, accurate, and complete."

Pursuant to *N.J.A.C. 10:60-3.5 (a) (2)*, "Direct supervision of the personal care assistant shall be provided by a registered nurse at a minimum of one visit every 60 days"

Moreover, pursuant to *N.J.A.C. 13:45B-14.9(g)*, "The health care practitioner supervisor shall make an on-site, in home evaluation of the plan of care not less than once during each 60 day period"

B. Chrill Failed to Properly Document Hours on Timesheets and Accurately Bill for Claims

Pursuant to state regulations, Medicaid PCS providers must maintain records that are true, accurate and complete, and PCS providers must ensure that the weekly timesheets for services rendered by PCAs are signed, dated, and accurately completed by the PCA performing the services. To ensure adherence to the regulations, Chrill uses Certified Home Health Aide Activity Forms (timesheets) as a basis to bill and document that services were performed on designated dates and times. The rationale for these state regulations is evident, as it requires Chrill and its employees, such as PCAs, to document and certify that service and billing information is true, accurate, and complete, which provides greater assurance that services were provided and billed appropriately.

OSC reviewed Chrill's timesheets to determine whether Chrill maintained proper documentation for its billed services. OSC found that Chrill improperly billed for PCS for 2 of the 125 sampled claims because the service hours billed by and paid to Chrill were more than the hours indicated on the PCA's timesheets. As a result of these improper claim

submissions, Chrill was overpaid for 2 hours, totaling \$28.56. For example, for services rendered to Beneficiary [REDACTED] on April 14, 2015, the timesheet documented two hours of services performed, but Chrill billed for and was paid for three hours of services, which means that Chrill failed to support one hour of services for which it was paid. Further, OSC found that for 1 of the 125 claims, the service hours that Chrill documented on the timesheet were more than the hours billed by and paid to Chrill. In this instance, Chrill was underpaid for 2 hours, totaling \$48.39. In total, the three exceptions resulted in a net underpayment of \$19.83. By failing to properly record hours on timesheets and/or by inaccurately billing for services performed, Chrill violated *N.J.A.C. 10:49-9.8(a)* and *N.J.A.C. 10:60 3-6(a) (2)*. See Appendix B for claim detail.

Pursuant to *N.J.A.C. 10:49-9.8(a)*, “providers shall certify that the information furnished on the claim is true, accurate, and complete.”

Pursuant to *N.J.A.C. 10:60-3.6(a) (2)*, “Clinical records shall contain, at a minimum,” among other things, “A personal care assistant assignment sheet signed and dated weekly by the personal care assistant.”

C. Chrill Improperly Billed PCS while Beneficiaries were Inpatient in a Hospital

Separate from the sample claims, OSC also reviewed Medicaid claims submitted by Chrill billed under the HCPCS code T1019 to determine whether such claims overlapped with dates when beneficiaries were in a hospital. OSC reviewed documentation provided by Chrill and found that Chrill improperly billed and received payments for 7 of the 58 claims, totaling \$178.24, for services purportedly provided to beneficiaries in a home setting while these beneficiaries had inpatient status in a hospital setting. Pursuant to Medicaid regulations, a beneficiary cannot receive PCS, Private Duty Nursing or In-Home-Nursing services, while Medicaid is paying a hospital for room and board services for the same beneficiary. Accordingly, these 7 improperly billed claims constitute overpayments that Chrill must repay to the Medicaid program. For these claims, Chrill violated *N.J.A.C. 10:49-9.8(a)* and *N.J.A.C. 10:60-3.8(a)* by improperly billing for PCS while a beneficiary has inpatient status in a hospital setting. See Appendix C for claim detail.

Pursuant to *N.J.A.C. 10-49-9.8(a)*, “providers shall certify that the information furnished on the claim is true, accurate, and complete.”

Pursuant to *N.J.A.C. 10:60-3.8(a)*, “Medicaid/NJ FamilyCare reimbursement shall not be made for personal care assistant services provided to Medicaid or NJ FamilyCare –Plan A beneficiaries in the following settings: A residential health care facility; A Class C boarding home; A hospital . . . ; Adult Family Care, Assisted Living Program, and Assisted Living Residence.

Summary of Overpayments

OSC determined that Chrill improperly billed and received payment for 8 of the 125 sample claims, totaling \$284.89 (See Appendix A for Summary). For purposes of ascertaining a recovery amount, OSC extrapolated the net adjusted dollars in error for these 8 claims to the total population of claims from which the sample claims was drawn, which in this case was 250,548 claims, totaling \$13,595,376.22. By extrapolating the net dollars in error over the universe of claims, OSC calculated that Chrill received an overpayment of \$599,036.60 that it must repay to the Medicaid program.¹ Additionally, OSC determined that Chrill improperly billed and received payment for 7 claims, totaling \$178.24, for services provided to beneficiaries while these beneficiaries had inpatient status in a hospital setting (See Appendix B). In total, OSC determined that Chrill received an overpayment of \$599,214.84 (\$599,036.60 plus \$178.24) that it must repay to the Medicaid program.

Recommendations

Chrill must:

1. Reimburse Medicaid the overpayment amount of \$599,214.84.
2. Adhere to state and federal regulations for Medicaid services provided by Chrill and its health care professionals by:
 - a) implementing a system that ensures that the number of PCS hours billed matches the number of PCS hours indicated on each PCA's timesheet; and,
 - b) implementing a system that ensures that in-home evaluations are completed within 60 days of the prior in-home evaluation.
3. Ensure that Chrill and its health care professionals receive training to foster compliance with applicable state and federal regulations.
4. Provide OSC with a Corrective Action Plan (CAP) indicating the steps Chrill will take to implement procedures to correct the deficiencies identified herein.

Chrill's Response to the Draft Audit Report and OSC's Comments

After receiving OSC's Draft Audit Report, Chrill submitted comments and a CAP (See Appendix C). In this response, Chrill agreed with OSC's audit findings and provided a CAP

¹ OSC can reasonably assert, with 90% confidence that the total overpayment in the universe falls between \$159,878 and \$1,038,195 with the error point estimate as \$599,036.60.

Office of the State Comptroller
Medicaid Fraud Division
Chrill Care, Inc. September 9, 2021

to address OSC's recommendations. Thus, the only issue that Chrill must address is its repayment of the \$599,214.84 overpayment.

Sincerely,

KEVIN D. WALSH
ACTING STATE COMPTROLLER

DATE: 9/9/2021

By: /s/Josh Lichtblau
Josh Lichtblau
Director
Office of the State Comptroller
Medicaid Fraud Division

Cc: Justin Sanzari, Chief Financial Officer, Chrill Care, Inc.
Kay Ehrenkrantz, Deputy Director, OSC
Don Catinello, Supervising Regulatory Officer, OSC
Glenn Geib, Recovery Supervisor, OSC

Appendices:

Appendix A – Summary of Sample Claim Exceptions
Appendix B – Improperly Paid PCS Claims while Beneficiaries were Inpatient in a Hospital
Appendix C – Chrill's response to OSC's Draft Audit Report

Chril Care, Inc.
Period: 08/01/2014 - 7/31/2019
Summary for Sampled Claim Exceptions

Appendix A

							Source: MFD Testing					
Claim ICN Identification	Claim Recipient Full Name	Claim Recipient Birth Date	Claim Service Date	Claim Service Thru Date	Claim Procedure Code	Claim Payment Amount	Timesheet Hours Match Hours Billed	Recoverable Claim Payment	Health Care Practitioner Supervisor Conducted on Site in Home Evaluation of Plan of Care and PCA Every 60 Days or Less	Recoverable Claim Payment	Recoverable Claim Payment	
			4/14/2015	4/14/2015	T1019	\$ 41.40	NIC	\$ 13.80	IC	\$ -	\$ 13.80	
			2/19/2018	2/19/2018	T1019	\$ 59.04	NIC	\$ 14.76	IC	\$ -	\$ 14.76	
			1/7/2019	1/7/2019	T1019	\$ 96.78	NIC	\$ (48.39)	IC	\$ -	\$ (48.39)	
			10/6/2014	10/6/2014	T1019	\$ 110.40	IC	\$ -	NIC	\$ 110.40	\$ 110.40	
			1/9/2015	1/9/2015	T1019	\$ 46.56	IC	\$ -	NIC	\$ 46.56	\$ 46.56	
			3/24/2016	3/24/2016	T1019	\$ 41.40	IC	\$ -	NIC	\$ 41.40	\$ 41.40	
			8/22/2016	8/22/2016	T1019	\$ 62.08	IC	\$ -	NIC	\$ 62.08	\$ 62.08	
			7/23/2017	7/23/2017	T1019	\$ 44.28	IC	\$ -	NIC	\$ 44.28	\$ 44.28	

TOTAL Recovery:								\$ (19.83)		\$ 304.72	\$ 284.89
TOTAL Number of Claims:								3		5	8

Legend:	
IC	In Compliance
NIC	Not In Compliance

Chrill Care, Inc.
Period: 8/1/2014 - 7/31/2019

Appendix B

Improperly Paid PCS Claims While Beneficiaries Were Inpatient at a Hospital

Chrill Care Claim ICN Identification Number	Chrill Care Claim Recipient Identification Number	Chrill Care Recipient Latest First Name	Chrill Care Recipient Latest Last Name	Chrill Care Claim Service Date	Chrill Care Claim Service Thru Date	Hospital Claim Service Date	Hospital Claim Service Thru Date	Hospital Claims Claim Billing Provider Name	Chrill Care Claim Payment Date	Chrill Care Claim HMO Payment Date	Chrill Care Claim Procedure Code	Recoverable Claim Payment
				08/26/2014	08/26/2014	08/25/2014	08/29/2014		10/15/2014	09/19/2014	T1019	\$13.80
				05/14/2019	05/14/2019	05/13/2019	05/17/2019		06/05/2019	05/24/2019	T1019	\$16.12
				01/30/2017	01/30/2017	01/29/2017	01/31/2017		03/08/2017	02/16/2017	T1019	\$27.60
				12/14/2016	12/14/2016	12/13/2016	12/19/2016		01/18/2017	12/31/2016	T1019	\$46.56
				12/16/2016	12/16/2016	12/13/2016	12/19/2016		01/18/2017	12/31/2016	T1019	\$31.04
				10/02/2015	10/02/2015	10/01/2015	10/06/2015		12/02/2015	11/17/2015	T1019	\$15.52
				01/28/2015	01/28/2015	01/27/2015	02/04/2015		03/25/2015	02/20/2015	T1019	\$27.60
Total Recovery:												\$178.24
Total Number of Claims:												7

Thank you for the Draft Audit Report received by our Office on August 10, 2021.

As your team was made aware, I was appointed interim COO in January of 2019 along with Justin Sanzari as CFO. In late February Chrill Care suffered a devastating Fire which caused a total evacuation of our building until March of 2019. At that time, we were closed due to COVID. We did what we had to do to provide your team with whatever documentation they needed to complete the audit remotely as requested by your team.

We have reviewed your Audit findings. We are offering the following plan of correction to the points raised by your team.

CORRECTIVE ACTION

- Chrill will adhere to state and federal regulations for Medicaid services provided by Chrill and its health care professionals:
- We have implemented a system that ensures the number of PCS hours billed matches the number of PCS hours indicated on each PCA time sheet. This will be accomplished with the use of the newly installed EVV system recognized by the State of New Jersey. As well as the HHA exchange implemented.
- We have already implemented a system that ensures our in-home evaluations are completed within 60 days of the prior in-home evaluation. We have hired a quality assurance consultant who is working with our Medial Records clerical to ensure this is followed.

We are requesting that your department allow an appeal of the calculations used in the findings. The overpayment in the “universe falls between \$159,878 and \$1,038,195” be recalculated to remain on the lower end of this scale.

Chrill was using manual techniques prior to January 1, 2021, which allowed error. We have since corrected this with HHA exchange and EVV systems. Nothing was done in malice or deliberately.

Chrill is a Non-Profit agency with income fixed on whatever contracts we receive. It would be a severe hardship for us to repay the amount stated.

We would like to exercise all avenues of adjusting this amount to an amount that can realistically be repaid without affecting our Health Care service.

Please advise as to what steps must be taken to allow us the opportunity to appeal these results.

In any event whatever amount is determined as final Chrill is respectfully requesting a financing option of payment. Our costs are fixed, and we would have to build this repayment into our existing revenue.

Again, Justin and I would like to that you and your team for this Audit which was done under very difficult circumstance with COVID and remote working.

We will await your decision as to how we are to proceed.

Sincerely,

Deborah Del Vecchio
Chief Operating Officer

Justin Sanzari
Chief Financial Officer