



MEDICAID EXAMINATION

**Ebenezer Home of Tennessee, Inc.
DBA Good Samaritan Health and Rehab Center
Antioch, Tennessee**

Cost Reports

January 1, 2022, Through December 31, 2022

Resident Days

January 1, 2022, Through June 30, 2023

Resident Accounts

January 1, 2022, Through November 15, 2023

Jason E. Mumpower
Comptroller of the Treasury



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JASON E. MUMPOWER
Comptroller

August 29, 2024

The Honorable Bill Lee, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Mr. Stephen Smith, Deputy Commissioner
Division of TennCare
Department of Finance and Administration
310 Great Circle Road, 4W
Nashville, Tennessee 37243

Ladies and Gentlemen:

Pursuant to Section 71-5-130, *Tennessee Code Annotated*, and a cooperative agreement between the Comptroller of the Treasury and the Department of Finance and Administration, the Division of State Audit performs examinations of nursing facilities and agencies providing home- and community-based waiver services participating in the Tennessee Medical Assistance Program under Title XIX of the Social Security Act (Medicaid).

Submitted herewith is the report of the examination of the Medicare and Medicaid Supplemental Cost Reports of Ebenezer Home of Tennessee, Inc. in Antioch, Tennessee, DBA Good Samaritan Health and Rehab Center, for the period January 1, 2022, through December 31, 2022; resident days for the period January 1, 2022, through June 30, 2023; and resident accounts for the period January 1, 2022, through November 15, 2023.

Sincerely,

A handwritten signature in blue ink that reads "Katherine J. Stickel". The signature is written in a cursive, flowing style.

Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit

KJS/pn
24/015

EBENEZER HOME OF TENNESSEE, INC.

DBA GOOD SAMARITAN HEALTH AND REHAB CENTER

ANTIOCH, TENNESSEE

EXAMINATION HIGHLIGHTS

Examination Scope

*Cost Reports for the Period January 1, 2022, Through December 31, 2022;
Resident Days for the Period January 1, 2022, Through June 30, 2023; and
Resident Accounts for the Period January 1, 2022, Through November 15, 2023*

Findings Recommending Monetary Refunds

Ebenezer Home of Tennessee, Inc. included \$281,025.14 in nonallowable expenses on its Medicare Cost Report

Ebenezer Home of Tennessee, Inc. included \$281,025.14 of nonallowable expenses on its Medicare Cost Report for the year ended December 31, 2022. The nonallowable expenses consist of \$21,709.34 in unsupported expenses; \$229,873.90 in unpaid expenses; \$24,870.80 in expenses unrelated to resident care; and \$4,571.10 in late fees.

Ebenezer Home of Tennessee, Inc. included \$26,545.33 in nonallowable expenses on Schedule C of its Medicaid Supplemental Cost Report

Ebenezer Home of Tennessee, Inc. included \$26,545.33 of nonallowable expenses on Schedule C of its Medicaid Supplemental Cost Report for the year ended December 31, 2022. The nonallowable expenses consist of \$24,002.09 in salaries that were not supported by payroll records; \$1,990.46 in unpaid food expenses; and \$552.78 in non-food items and food for staff that were reported as resident food expenditures.

The \$281,025.14 and \$26,545.33 of nonallowable expenses may affect the Medicaid reimbursement rate since 2022 was a rebase year.

Ebenezer Home of Tennessee, Inc. failed to properly manage and promptly refund credit balances of 93 former Medicaid residents totaling \$139,057.56

Ebenezer Home of Tennessee, Inc. has not established a system to properly manage and promptly refund credit balances on the accounts of deceased or discharged residents. Management did not maintain evidence that staff notified former residents or their authorized representatives of refunds due to them. Management failed to refund credit balances, totaling \$139,057.56. Of the \$139,057.56 in credit balances, \$83,421.59 is due back to former Medicaid residents or their authorized representatives, and \$55,635.97 is due back to the Medicaid Program.

Ebenezer Home of Tennessee, Inc. did not allocate resident trust funds, totaling \$14,085.13, to residents' subsidiary ledgers

Ebenezer Home of Tennessee, Inc. did not deposit \$14,085.13 into the primary resident trust fund's interest-bearing bank account and did not allocate those funds to residents' subsidiary ledgers. Instead, the facility deposited funds into the resident trust fund's petty cash bank account and a prior trust fund bank account.

Findings Not Recommending Monetary Refunds

Ebenezer Home of Tennessee, Inc. failed to properly manage resident trust funds

Ebenezer Home of Tennessee, Inc. failed to take adequate measures to safeguard resident trust funds as required by federal and state laws, including

- failing to reconcile the August 31, 2023, resident trust fund bank statement to the facility's resident trust fund subsidiary ledger balance; as a result, the resident trust fund subsidiary ledger balance was \$1,949 larger than the bank statement balance;
- not properly documenting resident trust fund cash withdrawals, resulting in total unsupported withdrawals of \$1,980.96;
- not timely paying residents' monthly supplemental health insurance premiums; and
- not allocating some of the interest earned on resident trust fund deposits to resident trust fund subsidiary ledgers.

Ebenezer Home of Tennessee, Inc. had 10 residents' trust fund balances that exceeded the Medicaid resource limit of \$2,000

Ebenezer Home of Tennessee, Inc. had 10 Medicaid residents with trust fund balances exceeding the Medicaid resource limit of \$2,000. The amounts that exceeded the \$2,000 limit ranged from \$2,022.41 to \$7,495.83.

Medicaid Examination
Ebenezer Home of Tennessee, Inc.
DBA Good Samaritan Health and Rehab Center
Cost Reports for the Period
January 1, 2022, Through December 31, 2022;
Resident Days for the Period
January 1, 2022, Through June 30, 2023; and
Resident Accounts for the Period
January 1, 2022, Through November 15, 2023

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Introduction

Purpose and Authority of the Examination

The terms of contract between the Tennessee Department of Finance and Administration and the Tennessee Comptroller's Office authorize the Comptroller of the Treasury to perform examinations of nursing facilities that participate in the Tennessee Medicaid Nursing Facility Program.

Under their agreements with the state and as stated on cost reports submitted to the state, participating nursing facilities have asserted that they are in compliance with the applicable state and federal regulations covering services provided to Medicaid-eligible recipients. The purpose of our examination is to render an opinion on the nursing facilities' compliance with such requirements.

Background

To receive services under the Medicaid Nursing Facility Program, a recipient must meet Medicaid eligibility requirements under one of the coverage groups included in the *State Plan for Medical Assistance*. The need for nursing care is not in itself sufficient to establish eligibility. Additionally, a physician must certify that recipients need nursing facility care before they can be admitted to a facility. Once a recipient is admitted, a physician must certify periodically that continued nursing care is required. The number of days of coverage available to recipients in a nursing facility is not limited.

The Medicaid Nursing Facility Program provides for nursing services on two levels of care. Level I Nursing Facility (NF-1) services are provided to recipients who do not require an intensive degree of care. Level II Nursing Facility (NF-2) services, which must be under the direct supervision of licensed nursing personnel and under the general direction of a physician, represent a higher degree of care.

Ebenezer Home of Tennessee, Inc.

Ebenezer Home of Tennessee, Inc. in Antioch, Tennessee, provides both NF-1 and NF-2 services. The facility is owned by Celia Valdomar.

During the examination period, the facility maintained a total of 110 licensed nursing facility beds. The Division of Quality Assurance of the Department of Health licensed the facility for these beds. Eligible recipients receive services through an agreement with the Department of Health. Of the 40,150 available bed days for the year ended December 31, 2022, the facility reported 26,046 for Medicaid residents. Also, the facility reported total operating expenses of \$9,155,771 for the period.

The Division of Quality Assurance is responsible for the inspection of the quality of the facility's physical plant, professional staff, and resident services.

The following Medicaid reimbursable rates were in effect for the period covered by this examination:

<u>Period</u>	<u>NF Rate</u>
January 1, 2022, through June 30, 2022	\$218.43
July 1, 2022, through December 31, 2022	\$234.24
January 1, 2023, through June 30, 2023	\$233.26
July 1, 2023, through December 31, 2023	\$264.73

Examination Scope

Our examination covers certain financial-related requirements of the Medicaid Nursing Facility Program. The requirements covered are specified later in the Independent Accountant's Report. Our examination does not cover quality of care or clinical or medical provisions.

Prior Examination Findings

There has not been an examination performed within the last five years.



JASON E. MUMPOWER
Comptroller

Independent Accountant's Report

June 20, 2024

The Honorable Bill Lee, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Mr. Steven Smith, Deputy Commissioner
Division of TennCare
Department of Finance and Administration
310 Great Circle Road, 4W
Nashville, Tennessee 37243

Ladies and Gentlemen:

We have examined whether Ebenezer Home of Tennessee, Inc., DBA Good Samaritan Health and Rehab Center complied with the following requirements:

- Income and expenses reported on the Skilled Nursing Facility and Medicaid Supplemental Cost Reports for the fiscal year ended December 31, 2022, are reasonable, allowable, and in accordance with state and federal rules, regulations, and reimbursement principles.
- Resident days reported on the Skilled Nursing Facility and Medicaid Supplemental Cost Reports have been counted in accordance with state regulations. Medicaid resident days billed to the state from January 1, 2022, through June 30, 2023, when residents were discharged, are in accordance with the rules.
- Charges to residents and charges to residents' personal funds from January 1, 2022, through November 15, 2023, are in accordance with state and federal regulations, complied with the Nursing Facility Manuals, and the agreement between the facility and the Department of Finance and Administration.

As discussed in management's representation letter, management is responsible for ensuring compliance with those requirements. Our responsibility is to express an opinion on management's compliance with those requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management complied, in all material respects, with the requirements specified above.

An examination involves performing procedures to obtain evidence about whether management complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our adverse opinion. Our examination does not provide a legal determination on the entity's compliance with specified requirements.

We are required to be independent of Ebenezer Home of Tennessee, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the examination engagement.

Our examination disclosed the following instances of material noncompliance applicable to state and federal regulations:

- Ebenezer Home of Tennessee, Inc. included \$281,025.14 in nonallowable expenses on its Medicare Cost Report.
- Ebenezer Home of Tennessee, Inc. included \$26,545.33 in nonallowable expenses on Schedule C of its Medicaid Supplemental Cost Report.
- Ebenezer Home of Tennessee, Inc. failed to properly manage and promptly refund credit balances of 93 former Medicaid residents totaling \$139,057.56.
- Ebenezer Home of Tennessee, Inc. did not allocate resident trust funds, totaling \$14,085.13, to residents' subsidiary ledgers.
- Ebenezer Home of Tennessee, Inc. failed to properly manage resident trust funds.
- Ebenezer Home of Tennessee, Inc. had 10 residents' trust fund balances that exceeded the Medicaid resource limit of \$2,000.

In our opinion, because of the effect of the noncompliance described in the preceding paragraph, Ebenezer Home of Tennessee, Inc. has not complied with the aforementioned requirements for income and expenses reported on the Skilled Nursing Facility and Medicaid Supplemental Cost Reports for the period January 1, 2022, through December 31, 2022; resident days for the period

January 1, 2022, through June 30, 2023; and resident accounts for the period January 1, 2022, through November 15, 2023.

This report is intended solely for the information and use of the Tennessee General Assembly and the Tennessee Department of Finance and Administration and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit

KJS/pn

Findings and Recommendations



Finding 1

Ebenezer Home of Tennessee, Inc. included \$281,025.14 in nonallowable expenses on its Medicare Cost Report

Ebenezer Home of Tennessee, Inc. included \$281,025.14 of nonallowable expenses on its Medicare Cost Report for the year ended December 31, 2022. The nonallowable expenses consist of \$21,709.34 in unsupported expenses; \$229,873.90 in unpaid expenses; \$24,870.80 in expenses unrelated to resident care; and \$4,571.10 in late fees.

Chapter 1200-13-06-.09 of the *Rules of the Tennessee Department of Finance and Administration* states, “Adequate financial records, statistical data, and source documents must be maintained for proper determination of costs under the program.” Chapter 1200-13-06.09 also specifies that unnecessary costs and costs unrelated to patient care be deducted from allowable expenses. Such costs that are not allowable in computing reimbursable costs include, but are not limited to,

- costs which are not necessary or related to patient care; [and] . . .
- any fines, penalties, or interest paid on any tax payments or interest charges on overdue payables.

“Special Treatment of Certain Accrued Costs,” Title 42, *Code of Federal Regulations*, Part 413, Section 100, states,

(c) *Recognition of accrued cost* - (1) *General*. Although Medicare recognizes, in the year of accrual, the accrual of costs for which a provider has not actually expended funds during the current cost reporting period, for purposes of payment Medicare does not recognize the accrual of costs unless the related liabilities are liquidated timely. . . .

(i) *A short-term liability*. (A) Except as provided in paragraph (c)(2)(1)(B) of this section, a short-term liability, including the current portion of a long-term liability (for example, mortgage interest payments due to be paid in the current year), must be liquidated within 1 year after the end of the cost reporting period in which the liability is incurred.

The \$281,025.14 of nonallowable expenses will be removed from total expenses.



Recommendation

Ebenezer Home of Tennessee, Inc. should include only allowable expenses on its Medicare Cost Report. All reported expenses should be adequately supported, for covered services, related to resident care, and in compliance with other applicable regulations.

Management's Comment

We are taking the following steps to align with the auditor's recommendations:

- 1) Enhanced Training and Education – we will train our staff in the identification of allowable expenses, documentation requirements, and compliance to Medicare regulation.
- 2) Improved documentation practices – by maintaining detailed records and receipts for all expenses and implementing stricter internal controls to verify the accuracy and appropriateness of reported costs.
- 3) Conduct regular audits and reviews of our expense reporting process.
- 4) \$229,873.90 of these non-allowable expenses pertain to unpaid expenses for over 1 year. We have to defer payment due to low census during this period that impacted heavily our cash flow.



Finding 2

Ebenezer Home of Tennessee, Inc. included \$26,545.33 in nonallowable expenses on Schedule C of its Medicaid Supplemental Cost Report

Ebenezer Home of Tennessee, Inc. included \$26,545.33 of nonallowable expenses on Schedule C of its Medicaid Supplemental Cost Report for the year ended December 31, 2022. The nonallowable expenses consist of \$24,002.09 in salaries that were not supported by payroll records; \$1,990.46 in unpaid food expenses; and \$552.78 in non-food items and food for staff that were reported as resident food expenditures.

Chapter 1200-13-06-.09 of the *Rules of the Tennessee Department of Finance and Administration* states, "Adequate financial records, statistical data, and source documents must be maintained for proper determination of costs under the program."

Chapter 1200-13-02-.05(2d) of the *Rules* states, “Cost reports must be prepared according to the Medicaid supplemental cost reporting instructions, CMS Publication 15-2, cost reporting instructions, and definitions of allowable and non-allowable costs contained in CMS Publication 15-1.”

Medicaid supplemental cost reporting instructions state that the provider may include “the cost of raw food and special dietary supplements used for tube feeding or oral feeding...”

The \$26,545.33 of nonallowable expenses will be removed from total expenses.

The \$281,025.14 and 26,545.33 of nonallowable expenses may affect the Medicaid reimbursement rate since 2022 was a rebase year.



Recommendation

Ebenezer Home of Tennessee, Inc. should include only allowable expenses on its Medicaid Supplemental Cost Report. All reported expenses should be adequately supported, for covered services, related to resident care, and in compliance with other applicable regulations.

Management's Comment

- 1) Unsupported Salaries - \$24,002.09. All our salaries recorded in the book were fully supported by our payroll records. The only reason we're not able to submit the specific documents is because we're not able to identify the discrepancy presented in the auditor's worksheet as compared to our records: how the discrepancy was computed vs. our records. We have submitted all our payroll records to the auditor. If he specifically requested the documents needed, it would be easier for us to submit because all our records are intact.
- 2) Unpaid Food Expenses – as a result of our low census, we're not able to pay our vendors on time.
- 3) Non-food item and food for staff that were reported as resident food expenditures – this is an error in GL Code used in recording. We will train our staff to properly use the correct GL Code to prevent such errors in the future.

Auditor's Comment

The auditee is responsible for providing support of the salaries reported on Schedule C of its Medicaid Supplemental Cost Report. The auditor requested detailed supporting documentation, including a breakdown of Schedule C amounts and a list of employees included in those amounts. The support was not received.



Finding 3

Ebenezer Home of Tennessee, Inc. failed to properly manage and promptly refund credit balances of 93 former Medicaid residents totaling \$139,057.56

Ebenezer Home of Tennessee, Inc. failed to establish a system to properly manage and promptly refund credit balances on the accounts of deceased or discharged residents. Management failed to refund credit balances, totaling \$139,057.56, that remain on the accounts of 93 former Medicaid residents. Of this amount, \$83,421.59 is due back to the residents or the residents' authorized representatives, and \$55,635.97 is due back to the Medicaid Program. The residents with credit balances were discharged between October 30, 2012, and August 24, 2023, as demonstrated in the table below.

Discharge Period	Residents	Amount Due to Medicaid	Amount Due to Resident
FYE 12/31/12	1	\$289.00	
FYE 12/31/14	1		\$151.33
FYE 12/31/16	8	5,325.48	2,818.86
FYE 12/31/17	14	10,173.58	27,409.76
FYE 12/31/18	8	4,261.15	7,762.78
FYE 12/31/19	7	1,518.74	2,293.67
FYE 12/31/20	23	21,866.05	14,939.57
FYE 12/31/21	11	4,732.16	10,290.96
FYE 12/31/22	9	3,523.32	10,804.72
01/01/2023-8/24/2023	11	3,946.49	6,949.94
Total	93	\$ 55,635.97	\$ 83,421.59

Title 42, *United States Code* (USC), Section 1320a-7k(d), and Section 6402 of the Affordable Care Act contain obligations for health care providers regarding reporting and returning overpayments from the Division of TennCare or one of its contractors. Overpayments that are not returned within 60 days from the date the overpayment was identified can trigger a liability under the False Claims Act. The overpayment will be considered an "obligation" as this term is defined in 31 USC 3729(b)(3). The False Claims Act subjects a provider to a fine and triple the amount of damages, known as "treble damages," if he or she knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay money to the federal government.

Section 66-29-123(a), *Tennessee Code Annotated*, requires that "A holder of property presumed abandoned and subject to the custody of the treasurer shall report in a record to the treasurer concerning the property." Chapter 1700-02-01-.19(1) of the *Rules of the Tennessee Department of Treasury* states,

“Before filing the annual report of property presumed abandoned, the holder shall exercise due diligence to ascertain the whereabouts of the owner to prevent abandonment from being presumed.”



Recommendation

Ebenezer Home of Tennessee, Inc. should implement an adequate system to promptly refund credit balances on the accounts of former residents or their authorized representatives, and to the Medicaid Program. The facility should refund \$83,421.59 to residents or their authorized representatives, and \$55,635.97 to the Medicaid Program. Additionally, the facility’s management should maintain evidence of attempts to contact the owner of the credit balance. If the proper owner cannot be located, the facility should file a report of the abandoned property with the Tennessee Department of Treasury, Division of Unclaimed Property.

Management’s Comment

- 1) The Impact of High personnel turnover within our facility has contributed to the improper handling of credit balances.
- 2) We will strengthen our Internal Control and conduct an ongoing training to our staff to enhance our financial management practices and ensure compliance.
- 3) We will issue a check payment of \$55,635.97 to the State of Tennessee, and
- 4) Our Business Office will conduct a due diligence in their contact with the owners of credit balances = \$83,421.59. This will include maintaining detailed records of all communication efforts, such as phone calls, emails, letters, and any other forms of outreach. Our staff will be trained to follow these procedures rigorously to ensure that all contact attempts are well-documented.



Finding 4

Ebenezer Home of Tennessee, Inc. did not allocate resident trust funds, totaling \$14,085.13, to residents' subsidiary ledgers

Ebenezer Home of Tennessee, Inc. did not deposit \$14,085.13 into the primary resident trust fund interest-bearing account and did not allocate those funds to residents' subsidiary ledgers. Management disclosed that they could not determine which residents the funds belonged to. Management classified the funds as "unidentified," and the funds were not credited to residents' subsidiary ledgers. Specifically, the provider did not ensure that the following amounts were allocated to residents' subsidiary ledgers:

- \$7,780: In December 2021, the facility implemented Resident Fund Management Service (RFMS) to handle resident funds. Before that, the facility's business office staff managed individual resident subsidiary ledger balances manually using Excel spreadsheets, which resulted in a \$7,780 variance between the resident trust fund's bank account balance and the total subsidiary ledger amounts. The facility's personnel could not determine which resident or residents the \$7,780 belonged to. The funds were classified as "unidentified" and deposited into the resident trust fund's petty cash bank account without being credited to residents' subsidiary ledgers.
- \$5,082.13: In December 2021, the facility opened a new resident trust fund bank account to coincide with the implementation of RFMS. On December 14, 2021, the facility transferred \$92,062.63 from the prior resident trust fund account to the new resident trust fund account. As of December 31, 2021, the prior resident trust fund account had a balance of \$5,082.13 that was not transferred to the new account or credited to residents' subsidiary ledgers. Management stated that they were unsure what the \$5,082.13 that remained in the prior account was for, and the funds were left in the prior account. As of March 29, 2024, the facility continues to use the prior resident trust fund account for accepting Social Security benefit deposits for new Medicaid residents. These deposits are then transferred to the primary resident trust fund's interest-bearing account.
- \$1,223: In August 2021, the facility changed business office personnel. New staff found \$1,223 in the business office safe without any record and could not determine which resident or residents the \$1,223 belonged to. The funds were classified as "unidentified" and deposited into the resident trust fund's petty cash bank account without being credited to residents' subsidiary ledgers.

Title 42, *Code of Federal Regulations*, Part 483, Section 10(f)(10)(iii)(A) states, "The facility must establish and maintain a system that assures a full and complete and separate accounting, according to generally accepted accounting principles, of each resident's personal funds entrusted to the facility on the resident's behalf."



Recommendation

Ebenezer Home of Tennessee, Inc. should promptly investigate and resolve any variances between resident trust fund bank account balances and residents' subsidiary ledgers. Management should report and remit the \$14,085.13 in unidentified funds to the Tennessee Department of Treasury.

Management's Comment

- 1) We will remit \$14,085.13 to the Tennessee Department of Treasury.
- 2) BOM started to transfer some residents' SS income from the old PTF Account to the new PTF Account. Then we'll close the old PTF Account once all residents are transferred to the new PTF Account.
- 3) We will enhance our documentation practices to ensure that all transactions involving resident trust funds are accurately recorded and easily traceable.
- 4) We will establish a regular reporting schedule to provide transparency and accountability in the management of resident trust funds.



Finding 5

Ebenezer Home of Tennessee, Inc. failed to properly manage resident trust funds

We do not consider the resident trust fund to be managed properly due to the following exceptions:

- The facility failed to reconcile the August 31, 2023, resident trust fund bank statement balance to the corresponding resident trust fund subsidiary ledger balance. The resident trust fund subsidiary ledger balance was \$1,949 larger than the bank statement balance. Management stated that they were unable to research the reason for the discrepancy due to other pressing duties. Auditors determined that the variance was due to a \$3,149 transfer mistakenly being withdrawn twice from the bank account and a resident's \$1,200 personal check that was deposited into the bank on July 28, 2023, but had not been credited to the resident's subsidiary ledger balance. The facility corrected both errors in October 2023.

- The facility did not properly complete Resident Cash Withdrawal Request forms, which resulted in total unsupported withdrawals of \$1,980.96. The improper withdrawals consist of the following:
 - \$357.15 of cash withdrawals due to lack of properly completed request forms,
 - \$1,372.82 of unsupported withdrawals due to lack of proof of payment and invoices, and
 - \$250.99 of unsupported withdrawals due to lack of purchase receipts.
- The facility did not timely pay residents' monthly supplemental health insurance premiums to the insurance company even though the residents had funds in their resident trust fund accounts. The facility did not timely pay 11 monthly insurance payments on behalf of 3 residents. As a result, 1 resident had a past-due amount of \$2,556 as of August 25, 2023; 1 resident had a past-due amount of \$1,136 as of February 27, 2023; and 1 resident had a past-due amount of \$225 as of July 25, 2023.
- The facility did not allocate all interest earned on resident trust fund bank deposits, resulting in \$1.22 of interest not being applied to residents' ledgers.

Title 42, *Code of Federal Regulations*, Part 483, Section 10(f)(10)(iii)(A) states, "The facility must establish and maintain a system that assures a full and complete and separate accounting, according to generally accepted accounting principles, of each resident's personal funds entrusted to the facility on the resident's behalf."

Chapter 1200-13-02-.05(g) of the *Rules of the Tennessee Department of Finance and Administration* states,

All charges in the patients' accounts must be supported by charge slips and the proper notes in the patients' files . . . Personal funds held by the provider for Medicaid patients used in purchasing clothing and personal incidentals must be properly accounted for with detailed records of amounts received and disbursed and shall not be commingled with NF [nursing facility] funds. Patient funds in excess of \$100 per patient must be kept in an insured interest-bearing account. Interest earned must be credited to the patients. Bank fees or charges associated with resident trust fund accounts shall not be charged to or debited against individual resident trust fund accounts.



Recommendation

Ebenezer Home of Tennessee, Inc. should immediately establish adequate internal controls, including policies and procedures, to ensure it complies with applicable laws and regulations regarding the protection of resident funds. Staff should accurately and timely

complete bank reconciliations. Management should refund unsupported withdrawals totaling \$1,980.96 to applicable residents. The facility should have documentation to ensure it adequately safeguards and accounts for residents' funds.

Management's Comment

- 1) Bank reconciliation will be conducted monthly by different personnel assigned by the Administrator while the RFMS will be maintained by the BOM; ensure subsidiary ledgers are updated; and distribute interest income accordingly.
- 2) The BOM will ensure that Resident's bills/invoices are paid in a timely manner.
- 3) We will refund the \$1,980.96 as recommended.
- 4) All PTF disbursements and deposits should be verified, approved, recorded and documented.
- 5) Please see attached Revised Resident Cash Withdrawal Form to reflect:
 - a. Two witnesses' signatures in case the resident is not physically able to sign the form.
 - b. If change were deposited to the PTF Bank Account.



Finding 6

Ebenezer Home of Tennessee, Inc. had 10 residents' trust fund balances that exceeded the Medicaid resource limit of \$2,000

As of April 17, 2024, Ebenezer Home of Tennessee, Inc. had 10 Medicaid residents with resident trust fund balances exceeding the Medicaid resource limit of \$2,000. The amounts that exceeded the \$2,000 limit ranged from \$2,022.41 to \$7,495.83. Our initial testwork determined that 8 residents had trust fund balances over the \$2,000 limit as of October 17, 2023. Subsequent testwork determined that 3 residents were still over the limit as of December 7, 2023. As a final follow-up, we tested resident trust fund balances as of April 17, 2024, and determined that 10 Medicaid residents were over the \$2,000 limit, as noted above.

Title 20, *Code of Federal Regulations*, Part 416, Section 1205, limits an individual's resources to \$2,000.

Chapter 1240-03-03-.05(1) of the *Rules of the Tennessee Department of Human Services* states, "Applicants for medical assistance are permitted to retain resources in an amount not to exceed the SSI [Supplemental Security Income] limits."



Recommendation

Ebenezer Home of Tennessee, Inc. should notify each resident or the resident's authorized representative when any resident's funds approach the \$2,000 Medicaid resource limit.

Management's Comment

- 1) Nine (9) out of Ten (10) residents that were identified with PTF balances more than \$2,000.00 have already spent down their balances. One resident still refused to use his money for funeral despite the effort of BOM and a Social Worker. We will continue to persuade and explain the importance of having funeral arrangements to lower his balance to \$2,000.00 as required by Medicaid.
- 2) Implement a regular monitoring of resident trust fund balances to identify and address any potential issues before they exceed the Medicaid resource limit:
 - a. Setting up alerts when resident's trust fund balance reaches \$1,800 to provide sufficient time for the resident or their representative to take necessary actions.
 - b. Sending formal notification to residents and their authorized representatives when their trust fund balances approach \$2,000.00 including guidance on how to manage their funds to remain within Medicaid resource limit.
 - c. Maintaining records of all notifications sent to ensure transparency and compliance with audit recommendation.
 - d. Regularly review and update our procedures to align with best practices and regulatory changes, ensuring ongoing compliance and support for our residents.

We appreciate the auditor's diligence in identifying these issues and view their recommendations as an opportunity to improve our financial management practices and support our residents better. We are committed to taking the necessary steps to address these findings and ensure compliance with Medicaid regulations.

Summary of Monetary Findings and Recommendations

Source of Overpayments

Unrefunded credit balances (see Finding 3)	\$ 139,057.56
Resident trust funds not allocated to residents (see Finding 4)	<u>14,085.13</u>
Total	<u>\$153,142.69</u>

Disposition of Overpayments

Due to the State of Tennessee	\$ 55,635.97
Due to residents or their authorized representatives	83,421.59
Due to the Tennessee Department of Treasury	<u>14,085.13</u>
Total	<u>\$ 153,142.69</u>