



## MEDICAID EXAMINATION

### Legacy Park Health and Rehabilitation Knoxville, Tennessee

#### Resident Days

*January 1, 2023, Through June 30, 2024*

#### Resident Accounts

*October 1, 2023, Through September 30, 2024*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
HEALTH PROVIDER REVIEW**

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JASON E. MUMPOWER  
*Comptroller*

December 17, 2025

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 Health Provider Review 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 Legacy Park Health and Rehabilitation in Knoxville, Tennessee, for the resident days for the period January 1, 2023, through June 30, 2024; and resident accounts for the period October 1, 2023, through September 30, 2024.

Sincerely,

A handwritten signature in blue ink that reads "Maya Angelova". The signature is fluid and cursive, with the first name "Maya" being more prominent.

Maya Angelova, CPA, CFE, Director  
Division of Health Provider Review

MA/ao  
25/011

# LEGACY PARK HEALTH AND REHABILITATION

## KNOXVILLE, TENNESSEE

## EXAMINATION HIGHLIGHTS

### Examination Scope

*Resident Days for the Period January 1, 2023, Through June 30, 2024; and  
Resident Accounts for the Period October 1, 2023, Through September 30, 2024*

### Finding

**The facility's management improperly billed the Medicaid program for 67 inpatient days when residents were not in the facility, resulting in an overpayment of \$12,068.37**

Between January 1, 2023, and June 30, 2024, the facility's management improperly billed the Medicaid program for 67 inpatient days, even though residents were not present in the facility at the time. This resulted in an overpayment of \$12,068.37.

### Disclaimer on Resident Accounts

Legacy Park Health and Rehabilitation did not provide sufficient evidence to support charges to residents or residents' personal funds for the period October 1, 2023, through September 30, 2024. Due to insufficient evidence, we do not express an opinion regarding resident accounts for the period October 1, 2023, through September 30, 2024.

**Medicaid Examination**  
**Legacy Park Health and Rehabilitation**  
**Resident Days for the Period**  
**January 1, 2023, Through June 30, 2024; and**  
**Resident Accounts for the Period**  
**October 1, 2023, Through September 30, 2024**

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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 TennCare Long-Term Care Program, a recipient must meet Medicaid eligibility requirements under one of the coverage groups included in the *State Plan under Title XIX of the Social Security Act*. The need for nursing care, in itself, is not 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 Tennessee Health Facilities Commission (HFC) certifies nursing facility beds and serves as the designated State Surveying Agency for the Centers for Medicare and Medicaid Services. The HFC is responsible for ensuring quality of care in nursing homes through its licensure and regulatory authority, which includes conducting surveys, investigating complaints, and enforcing compliance with state and federal standards.

#### *Legacy Park Health and Rehabilitation*

Legacy Park Health and Rehabilitation, located in Knoxville, Tennessee, provides both intermediate and skilled levels of care. The facility was originally established as a nonprofit corporation under the name Presbyterian Homes of Tennessee, Inc., doing business as Shannondale Health Care Center. In 2024, the facility underwent a change of ownership through its acquisition by American Health Communities (AHC) and became AHC Knoxville. On January 1, 2025, the facility became a for-profit corporation under the ownership of Rocky Top Healthcare, LLC, and began operating as Marble Legacy, Inc., doing business as Legacy Park Health and Rehabilitation. Management services are provided by Ensign Services. When a Medicaid provider experiences a change of ownership, the purchaser becomes financially liable for any outstanding liabilities owed to TennCare.

During the examination period, the facility maintained a total of 176 licensed nursing facility beds. Of the 64,240 available bed days for the year ended December 31, 2023, the facility reported 21,252 for Medicaid residents. Also, the facility reported total operating expenses of \$15,813,194 for the period.

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

<u>Period</u>	<u>NF Rate</u>
January 1, 2023, through June 30, 2023	\$219.72
July 1, 2023, through December 31, 2023	\$245.99
January 1, 2024, through June 30, 2024	\$246.86
July 1, 2024, through December 31, 2024	\$259.57

### Examination Scope

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

### Prior Examination Findings

An examination has not been performed within the last five years.



JASON E. MUMPOWER  
*Comptroller*

## **Independent Accountant's Report**

October 23, 2025

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 Legacy Park Health and Rehabilitation complied with the following requirements:

- Medicaid resident days billed to the state for the period January 1, 2023, through June 30, 2024, when residents were discharged, are in accordance with the rules.

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 qualified opinion. Our examination does not provide a legal determination on the entity's compliance with specified requirements.

We are required to be independent of Legacy Park Health and Rehabilitation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the examination engagement.

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

- The facility's management improperly billed the Medicaid program for 67 inpatient days when residents were not in the facility, resulting in an overpayment of \$12,068.37.

In our opinion, except for the instance of material noncompliance listed above, Legacy Park Health and Rehabilitation complied in all material respects with the aforementioned requirements for resident days for the period January 1, 2023, through June 30, 2024.

We have also issued our report dated October 23, 2025, on our consideration of Legacy Park and Rehabilitation's compliance with resident account requirements. That report is part of our examination engagement over Legacy Park Health and Rehabilitation.

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,



Maya Angelova, CPA, CFE, Director  
Division of Health Provider Review

MA/ao



JASON E. MUMPOWER  
*Comptroller*

## **Independent Accountant's Report**

October 23, 2025

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 were engaged to examine whether Legacy Park Health and Rehabilitation complied with the following requirements:

- Charges to residents or residents' personal funds for the period October 1, 2023, through September 30, 2024, are in accordance with state and federal regulations, complied with the Nursing Facility Manuals, and complied with 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 conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Our examination does not provide a legal determination on the entity's compliance with specified requirements.

We are required to be independent of Legacy Park Health and Rehabilitation and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Legacy Park Health and Rehabilitation did not provide sufficient evidence to support charges to residents or residents' personal funds for the period October 1, 2023, through September 30, 2024.

This lack of documentation impedes verifying transaction accuracy and legitimacy, increasing the risk of noncompliance.

Because of the limitation on the scope of our examination discussed in the preceding paragraphs, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether charges to resident accounts for Legacy Park Health and Rehabilitation for the period October 1, 2023, through September 30, 2024, complied with the Nursing Facility Manual or the agreement between the facility and the Department of Finance and Administration.

We have also issued our report dated October 23, 2025, on our consideration of Legacy Park Health and Rehabilitation's compliance with resident days requirements. That report is part of our examination engagement over Legacy Park Health and Rehabilitation.

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.

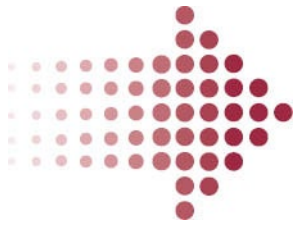
Sincerely,



Maya Angelova, CPA, CFE, Director  
Division of Health Provider Review

MA/ao

## Finding and Recommendation



### Finding

The facility's management improperly billed the Medicaid program for 67 inpatient days when residents were not in the facility, resulting in an overpayment of \$12,068.37

Between January 1, 2023, and June 30, 2024, the facility's management improperly billed Medicaid for 67 days that the facility documented on the census records as "bed holds." A bed hold occurs when a resident is absent from the facility due to hospitalization, therapeutic leave, or other reasons. State Medicaid rules do not allow reimbursement for days when a resident is absent from the facility. However, the facility submitted claims for inpatient services on these days, even though the residents were not present in the facility.

As a result, the facility's management improperly billed Medicaid a total of \$12,068.37 for services not rendered. The following chart details the distribution of these overpayments across the examination period.

**Amount Billed to Medicaid for Services Not Rendered**

Month	Days Residents Not in Facility	Due to Medicaid
February 2023	4	\$683.88
March 2023	3	\$527.97
May 2023	6	\$942.84
July 2023	1	\$245.99
September 2023	18	\$3,636.45
October 2023	2	\$398.04
December 2023	10	\$1,229.72
January 2024	7	\$1,420.71
February 2024	3	\$740.58
March 2024	1	\$192.21
April 2024	5	\$991.65
May 2024	6	\$811.47
June 2024	1	\$246.86
<b>Total</b>	<b>67</b>	<b>\$12,068.37</b>

State Medicaid rules require nursing facilities to keep accurate daily census records and only bill for days when residents are in the facility. This means bed hold days cannot be billed to Medicaid. The *Rules of the Tennessee Department of Health*, Chapter 1200-13-6-.09(7) define how inpatient days must be recorded and documented.

Additionally, Chapter 1200-13-02-.16 of the *Rules of the Tennessee Department of Finance and Administration* addresses bed holds and places a direct obligation on providers to exclude them from Medicaid billing. The rule states, “Effective July 1, 2018, Medicaid bed hold days will no longer be reimbursed.”



### **Recommendation**

Legacy Park Health and Rehabilitation should refund the State of Tennessee \$12,068.37 for the identified overpayment. The facility should also implement controls to ensure that inpatient days are billed only when residents are present in the facility.

### **Management’s Comment**

Thank you for recognizing that Legacy Park Health and Rehabilitation was under different ownership from January 1, 2023, through September 30, 2024, the periods covered in your recent Medicaid audit and accompanying report. As you correctly noted in the background section of the report, the current operators took over Legacy Park on January 1, 2025, six months after the billing deficiencies identified in the report.

As the current Administrator of Legacy Park, I do not contest the findings in the report. Specifically, Legacy Park does not contest the main finding that the facility's previous management improperly billed the Medicaid program for 67 inpatient days when residents were not present in the facility during the period of January 1, 2023, through June 30, 2024, resulting in an overpayment of \$12,068.37. All identified deficiencies were corrected on or before January 1, 2025, when Legacy Park underwent a change of ownership. Furthermore, Legacy Park now maintains the necessary controls to ensure that Medicaid is only billed for inpatient days when residents are present in the facility.

Lastly, although the current management of Legacy Park was not responsible for the billing deficiencies identified in the report, we will ensure the Medicaid program is made whole.

## Summary of Monetary Finding

### Source of Overpayments

Improper billing of Medicaid Resident Days	<u>\$ 12,068.37</u>
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### Disposition of Overpayments

Due to the Medicaid Program	<u>\$12,068.37</u>
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