



**MEDICAID EXAMINATION**  
**LP Erin, LLC**  
**DBA Signature HealthCARE of Erin**  
**Erin, Tennessee**

**Cost Reports**

*January 1, 2024, Through December 31, 2024*

**Resident Days**

*January 1, 2024, Through June 30, 2025*

**Resident Accounts**

*October 1, 2024, Through November 4, 2025*

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



**DIVISION OF  
HEALTH PROVIDER REVIEW**

**Maya Angelova, CPA, CFE, Director**

---

**Jessica Barker, CPA**  
Assistant Director

**Aaron Oakley, CPA**  
Audit Manager

**Ryan Murrell**  
In-Charge Auditor

**Tammy Fruscione, CGFM**  
**Kelsey Potts**  
Senior Auditors

**Monica Ivanovici, CFE**  
**Kierin Tilt**  
Staff Auditors

**State Audit Special Teams**  
**Amber L. Crawford, CGFM, SPHR**  
Assistant Director

**Amanda S. Adams**  
**Amy W. Brack**  
Editors

**David Cook, CPA**  
Legislative Audit Review Officer

Comptroller of the Treasury, Division of Health Provider Review  
Cordell Hull Building  
425 Rep. John Lewis Way N.  
Nashville, TN 37243  
615.401.7897  
[comptroller.tn.gov/office-functions/hpr.html](http://comptroller.tn.gov/office-functions/hpr.html)  
Mission: Make government work better





JASON E. MUMPOWER  
*Comptroller*

April 14, 2026

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 the limited scope examination of the Medicare and Medicaid Supplemental Cost Reports of LP Erin, LLC, DBA Signature HealthCARE of Erin, in Erin, Tennessee, for the period January 1, 2024, through December 31, 2024; resident days for the period January 1, 2024, through June 30, 2025; and resident accounts for the period October 1, 2024, through November 4, 2025.

Sincerely,

A handwritten signature in blue ink that reads "Maya Angelova".

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

MA/ao  
26/012

# LP ERIN, LLC DBA SIGNATURE HEALTHCARE OF ERIN ERIN, TENNESSEE

## EXAMINATION HIGHLIGHTS

### Examination Scope

*Cost Reports for the Period January 1, 2024, Through December 31, 2024;  
Resident Days for the Period January 1, 2024, Through June 30, 2025; and  
Resident Accounts for the Period October 1, 2024, Through November 4, 2025*

### OBSERVATION

#### **LP Erin, LLC, DBA Signature HealthCARE of Erin, improperly charged two TennCare enrollees for a covered service**

LP Erin, LLC, DBA Signature HealthCARE of Erin, improperly charged two TennCare enrollees as self-pay for their nursing facility stays when the enrollees' trust funds exceeded the \$2,000 Medicaid eligibility resource limit. A nursing facility may not charge a TennCare enrollee for a covered service, including room and board.

**Medicaid Examination  
LP Erin, LLC, DBA Signature HealthCARE of Erin**

**Cost Reports for the Period  
January 1, 2024, Through December 31, 2024**

**Resident Days for the Period  
January 1, 2024, Through June 30, 2025; and**

**Resident Accounts for the Period  
October 1, 2024, Through November 4, 2025**

**CONTENTS**

	<u>Page</u>
<b>Introduction</b>	1
Purpose and Authority of the Examination	1
Background	1
<b>Examination Scope</b>	2
<b>Prior Examination Findings</b>	2
<b>Independent Accountant's Report</b>	3
<b>Observation and Recommendation</b>	5
LP Erin, LLC, DBA Signature HealthCARE of Erin, improperly charged two TennCare enrollees for a covered service	5

# 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.

### *LP Erin, LLC, DBA Signature HealthCARE of Erin*

LP Erin, LLC, DBA Signature HealthCARE of Erin, located in Erin, Tennessee, provides both intermediate and skilled levels of care. The facility is wholly owned by LP CR Holdings, LLC. The following entities or people have a 5% or greater indirect ownership interest in the facility: Agemo Holdings, LLC; JJLA, LLC; LPSNF II, LLC; Ira Smedra; Elmer Steier III; and Wheaton, LLC. The facility is managed by Signature HealthCARE Consulting Services, LLC.

During the examination period, the facility maintained a total of 164 licensed nursing facility beds. Of the 60,024 available bed days for the year ended December 31, 2024, the facility reported 24,771 for Medicaid residents. Also, the facility reported total operating expenses of \$12,116,935 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, 2024, through June 30, 2024	\$265.41
July 1, 2024, through December 31, 2024	\$269.93
January 1, 2025, through June 30, 2025	\$269.20
July 1, 2025, through November 4, 2025	\$297.91

## EXAMINATION SCOPE

Our examination covers certain financial-related requirements of the TennCare Long-Term Care 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

February 26, 2026

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 LP Erin, LLC, DBA Signature HealthCARE of Erin, complied with the following requirements:

- Income reported on the Skilled Nursing Facility and Medicaid Supplemental Cost Reports for the fiscal year ended December 31, 2024, is 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 for the period January 1, 2024, through June 30, 2025, when residents were discharged, are in accordance with the rules.
- Charges to residents and residents' personal funds from October 1, 2024, through November 4, 2025, are in accordance with state and federal regulations, and 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 unmodified opinion. Our examination does not provide a legal determination on the entity's compliance with specified requirements.

We are required to be independent of LP Erin, LLC, DBA Signature HealthCARE of Erin, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, LP Erin, LLC, DBA Signature HealthCARE of Erin, complied in all material respects with the aforementioned requirements for income reported on the Skilled Nursing Facility and Medicaid Supplemental Cost Reports for the period January 1, 2024, through December 31, 2024; resident days for the period January 1, 2024, through June 30, 2025; and resident accounts for the period October 1, 2024, through November 4, 2025.

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

## OBSERVATION AND RECOMMENDATION

### **Observation:** LP Erin, LLC, DBA Signature HealthCARE of Erin, improperly charged two TennCare enrollees for a covered service

For enrollees to maintain eligibility for nursing facility services under the TennCare program, enrollees' nonexcludable resources must not exceed \$2,000. When two TennCare enrollees' trust funds exceeded the resource limit, the facility changed their payor status to self-pay to spend down their resources while they were still enrolled in TennCare.

Nursing facility room and board is included in TennCare's long-term care coverage for eligible beneficiaries and is a covered service under the program. TennCare rules prohibit a nursing facility from charging a TennCare enrollee for a covered service while the enrollee's TennCare coverage remains active. By changing the residents' payor status to self-pay and billing them directly for room and board during their period of active TennCare enrollment, the facility improperly charged two TennCare enrollees for a covered service.

Chapter 1200-13-02-.03(6) of the *Rules of the Tennessee Department of Finance and Administration, Division of TennCare*, prohibits a nursing facility from charging a TennCare enrollee for a covered service. In addition, Chapter 1200-13-13-.08(5) limits the circumstances under which a provider may seek payment directly from a TennCare enrollee.

### **Recommendation:** LP Erin, LLC, DBA Signature HealthCARE of Erin, should refrain from charging TennCare enrollees for a covered service, including room and board.

#### **Management's Comment**

LP Erin, LLC, DBA Signature HealthCARE of Erin appreciates the opportunity to respond to the observation regarding the billing of two TennCare enrollees.

The facility's actions were based on staff's understanding that when a resident's countable resources exceed the \$2,000 Medicaid eligibility limit, those resources must be spent down before eligibility can be reestablished. Staff believed that temporarily transitioning the residents to self-pay during the spend-down period was an appropriate method to address the excess resources.

**a. Guidance from TennCare or AAAD**

The facility did not obtain specific guidance from TennCare or the Area Agency on Aging and Disability (AAAD) directing the facility to change the residents' payor status from TennCare to self-pay. The action was based on staff's interpretation of the Medicaid resource eligibility requirements.

**b. Notification to the MCO or TennCare**

At the time of these events, the facility did not have a formal process requiring notification to the Managed Care Organization (MCO) or TennCare when a resident's resources exceeded the eligibility threshold.

**Corrective Action**

The facility has reinforced education with Business Office staff regarding TennCare billing requirements and the prohibition against charging TennCare enrollees for covered services while eligibility remains active. In addition, the facility has implemented a process to notify the appropriate MCO or TennCare eligibility representative when a resident's resources approach or exceed the allowable limit to ensure eligibility determinations are handled through the appropriate TennCare process.