



July 25, 2014

Ms. Mildred Morrison, Administrator
Department of Human Services
Allegheny County Area Agency on Aging
2100 Wharton Street, 2nd Floor
Pittsburgh, Pennsylvania 15203

Dear Ms. Morrison:

Enclosed for your review is the final audit report of the Allegheny County Area Agency on Aging which was recently completed by this office.

Your agency's response has been incorporated into the final report and is labeled Appendix B.

The final report will be forwarded to the Department's Office of Long Term Living (OLTL) to begin the Department's resolution process concerning the report contents. The staff from OLTL may be in contact with you to follow up on the corrective actions taken to comply with the report's recommendations.

I would like to extend my appreciation for the courtesy and cooperation extended to my staff during the course of the fieldwork.

If you have any questions please contact Mr. Michael J. Kiely, Audit Manager of the Western Field Office, at [REDACTED].

Sincerely,

A handwritten signature in black ink that reads "Tina L. Long". The signature is written in a cursive, flowing style.

Tina L. Long, CPA
Director

Enclosure

c: Mr. Brendan Harris
Mr. Jay Bausch
Mr. Randolph Brockington
Ms. Bonnie Rose
Mr. Michael Hale
Ms. Diane BrannonNordtomme

bc: Mr. Alexander Matolyak
Mr. Michael Kiely
Mr. David Bryan
Mr. Michael Sprow
Ms. Shelly Lawrence
WFO Audit File (#W3000)

Some information has been redacted from this audit report. The redaction is indicated by magic marker highlight. If you want to request an unredacted copy of this audit report, you should submit a written Right to Know Law (RTKL) request to DHS's RTKL Office. The request should identify the audit report and ask for an unredacted copy. The RTKL Office will consider your request and respond in accordance with the RTKL (65P.S. §§ 67.101 et seq.) The DHS RTKL Office can be contacted by email at: rapwrtkl@pa.gov.



July 25, 2014

Mr. Brendan Harris, Executive Deputy Secretary
 Department of Public Welfare
 Health & Welfare Building, Room 334
 Harrisburg, Pennsylvania 17120

Dear Deputy Secretary Harris:

In response to a request from the Office of Long Term Living (OLTL), the Bureau of Financial Operations (BFO) initiated a performance audit of the Allegheny County Area Agency on Aging (ACAAA). The audit covered the period July 1, 2012 to June 30, 2013 (Audit Period).

A draft of this report was reviewed by ACAA and their comments, which are identified as Appendix B, are attached to this report. The BFO reviewed those comments and did not find it necessary to make any changes to the draft report as a result of the ACAA response. ACAA elected not to have an exit conference.

Executive Summary

ISSUE	SUMMARY
Issue No. 1 – The Units of Service in Several PROMISE Claims Did Not Match the Supporting Documentation for Service Coordination.	In 5 of 113 claims tested, Service Coordination (SC) claims were not supported by ACAA Service Coordination Records.
HIGHLIGHTS OF RECOMMENDATIONS	
The BFO recommends that ACAA generate service orders only after services have been delivered and verified, and perform an independent review of billings prior to submission to the PROMISE system for payment.	

See Appendix for the Background, Objective, Scope and Methodology, and Conclusion on the Objective.

Results of Fieldwork

Issue No. 1 – The Units of Service in Several PROMISe Claims Did Not Match the Supporting Documentation for Service Coordination (SC).

ACAAA provides Service Coordination (SC) to Allegheny County residents enrolled in the OLTL Aging Waiver program. Title 55 PA. Code Chapter 52, Long Term Living Home and Community-Based Services, Section 52.43 (h), states that, “a provider shall maintain books, records and documents that support: (1) The type, scope, amount, duration and frequency of service provision.”

In order to ensure compliance with these regulations, the BFO performed testing on a random sample of 113 SC claims. For each claim, we compared the paid units of service in PROMISe to the units of service recorded in the Social Assistance Management System (SAMS), which is used by ACAA to track and submit service coordination billings. Our testing identified five claims in which the billed amount did not match the units of service on SAMS.

The billing process used by ACAA requires that staff review the units of service delivered prior to generating a service order, which is used to bill PROMISe for payment. If this review is not performed, the billed units of service will automatically default to 12 units, based on an annual ISP amount of 144 units. For three of the five claims, the review was not performed and the units of service in SAMS were for an amount other than 12 units; however, the default amount of 12 units was billed. The other two exceptions were the result of data input errors.

The net result of the 5 incorrect billings was insignificant; therefore the billing adjustment was not extrapolated.

Recommendation:

The BFO recommends that ACAA generate service orders only after the service has been delivered and perform an independent review of billings prior to submission to the PROMISe system for payment.

In accordance with our established procedures, an audit response matrix will be provided to OLTL. Once received, OLTL staff should complete the matrix within 60 days and email the Excel file to the DPW Audit Resolution Section at:



The response to the recommendation should indicate OLTL’s concurrence or non-concurrence, the corrective action to be taken, the staff responsible for the corrective action, the expected date that the corrective action will be completed, and any related comments.

Sincerely,

A handwritten signature in black ink that reads "Tina L Long".

Tina L. Long, CPA
Director

ALLEGHENY COUNTY AREA AGENCY ON AGING

APPENDIX A

Appendix

Background

ACAAA receives funding from the PA Department of Aging Title XIX Medicaid Waiver Grant (Title XIX) to provide information, referral and assessment services to consumers. They also provide enrollment and service coordination services, which are paid through the PROMISe billing system.

For the period July 1, 2012 through June 30, 2013, ACAAA reported Title XIX expenditures of \$2,954,319 and PROMISe billings for Enrollment and Service Coordination of \$2,127,063.

Objective, Scope and Methodology

Our audit objectives were:

- To determine if enrollment and service coordination claims billed and paid for during FY 12/13 are appropriate and adequately documented.
- To determine if expenses reported on the FY 12/13 Title XIX PA Aging Waiver Cost Report are appropriate and adequately documented.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on their audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objectives described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of their effectiveness. Based on our understanding of the controls, no material weaknesses came to our attention.

Our fieldwork was performed between March 16th and April 11th, 2014. A closing conference was held with ACAAA's management on April 15th, 2014 to discuss the results of the audit. This report, when presented in final form, will be available for public inspection.

Conclusion on the Objective

Except for a few instances where service coordination documentation did not support the units billed, ACAAA's enrollment and service coordination units were appropriate and adequately documented. The net result of the service coordination errors was insignificant. Also, the expenses reported on the FY 12/13 Title XIX PA Aging Waiver Cost Report were appropriate and adequately documented.

**ALLEGHENY COUNTY AREA AGENCY ON AGING
RESPONSE TO THE DRAFT REPORT**

APPENDIX B

COUNTY OF



ALLEGHENY

RICH FITZGERALD
COUNTY EXECUTIVE

July 15, 2014

Mr. Michael J. Kiely, Audit Manager
Bureau of Financial Operations
Department of Public Welfare
[REDACTED]

Dear Mr. Kiely,

Department of Human Services (DHS)/Bureau of Financial Management (BFM) is in receipt of the letter to [REDACTED] dated June 23, 2014, from [REDACTED]. This letter included the "draft" performance audit report of the Allegheny County Area Agency on Aging (AAA) prepared by the Division of Audit Review for the period July 1, 2012 through June 30, 2013.

DHS/BFM and DHS/AAA management have reviewed this "draft" report and have no exceptions to the documented issue and recommendation. [REDACTED] Division Chief, DHS/AAA, has taken steps to implement the recommendation in the report.

As we concur with the finding in the report, DHS does not require an exit conference. Please contact [REDACTED] DHS Fiscal Manager for the AAA at [REDACTED] [REDACTED] if you have any questions or require additional information.

Sincerely,

Catherine Adekoya, Administrator
Bureau of Financial Management

cc: Bonnie Rose, Deputy Secretary Office of Long-Term Living
Brendan Harris, Executive Deputy Secretary Department of Public Welfare
Tina Long, CPA
Randolph Brockington, DHS Deputy Director
Mildred Morrison, Administrator AAA
Kurt Emmerling, Division Chief AAA

MARC CHERNA, DIRECTOR
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