



June 25, 2014

Ms. Sheila Theodorou, Administrator
Carbon-Monroe-Pike Mental Health and
Intellectual Disabilities Program
724 Phillips Street, Suite 202
Stroudsburg, Pennsylvania 18360

Dear Ms. Theodorou:

I am enclosing the final audit report of Carbon-Monroe-Pike Mental Health and Intellectual Disabilities Program (CMP) that was recently completed by this office. Your response has been incorporated into the final report and labeled as an Appendix.

I would like to extend my appreciation for all the courtesy extended to my staff during the course of fieldwork. I understand you were especially helpful to Rich Kerpovich and Jason Seliga in expediting the audit process.

The final report will be forwarded to the Office of Developmental Programs (ODP) and the Office of Mental Health and Substance Abuse Services (OMHSAS) to begin the Department's audit resolution process. The staff from the ODP and the OMHSAS may be in contact with you to follow-up on the action taken to comply with the report's recommendations.

If you have questions concerning this matter, please contact David Bryan, Audit Resolution Section 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. Jay Bausch
Ms. Dolores Frantz
Ms. Deborah Donahue
Ms. Patricia McCool
Mr. Dennis Marion
Mr. Robert Conklin
Ms. Leigh Ann Ksiazek

bc: Mr. Alexander Matolyak
Mr. Brian Pusateri
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
NEFO Audit File (N1303)

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: rapwrkl@pa.gov.

June 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 Developmental Programs (ODP) and the Office of Mental Health and Substance Abuse Services (OMHSAS), the Bureau of Financial Operations (BFO) initiated a performance audit of Carbon-Monroe-Pike Mental Health and Intellectual Disabilities Programs (CMP). The audit was designated to determine if CMP is adhering to the contracting provisions of 55 Pa. Code Chapter 4300 and to determine if CMP is in compliance with 55 Pa. Code Chapter 51.16. The audit period was July 1, 2010 through September 30, 2013.

This report is currently in final form and therefore contains CMP's views on the findings and recommendations. CMP's response to the draft is included as Appendix B. No changes were made to the draft report as a result of CMP's response.

Executive Summary

FINDING	SUMMARY
<p>Finding No. 1 – Use of the Program Funded Model for Outpatient Services Resulted in a \$2,039,596 Overcharge to OMHSAS.</p>	<ul style="list-style-type: none"> • CMP overcharged OMHSAS \$2,039,596 for outpatient services for the period of July 1, 2010 through June 30, 2013. • The overcharge results from CMP reimbursing [REDACTED] and [REDACTED] via a program-funded model (reimbursement is for actual expenses) while the regulations require outpatient services to be funded via a Medical Assistance (MA) Fee Schedule. • CMP did not obtain written approval to reimburse providers above the established maximum MA rates.

Carbon-Monroe-Pike Mental Health and Developmental Services
July 1, 2010 to September 30, 2013

HIGHLIGHTS OF RECOMMENDATIONS

CMP should:

- Contract for the provision of outpatient services on a fee for service basis to ensure payments do not exceed the established maximum rates as required by 55 Pa. Code Chapters 4300.115(b).
- Obtain written approval before making payments above the established maximum rates.

OMHSAS should:

- Recover \$2,039,596 related to payments above the established maximum rates.
- Collaborate with CMP management regarding their concern that the established rates do not cover providers' costs of providing services, determine if their concern is valid, and consider options for remedying the potential problem.

FINDING	SUMMARY
<p>Finding No. 2 – The Office of Developmental Programs (ODP) Reimbursed CMP \$55,005 for Unsupported and Undelivered Service Units.</p>	<ul style="list-style-type: none"> • CMP paid ██████████ \$43,594 for fiscal year 2010-11 base funded habilitation services that are not supported by progress notes. • In fiscal year 2012-13, CMP paid ██████ \$11,411 for a vacant bed.

HIGHLIGHTS OF RECOMMENDATIONS

CMP should:

- Sample ██████ fiscal year 2011-12 habilitation claims, determine if adequate documentation is available to support the claims, and recover payments for any unsupported claims.
- Make unit of service payments only for units of service actually provided in accordance with 55 Pa. Code Chapter 4300.152(c).

ODP should:

- Recover \$55,005 related to unsupported and undelivered base funded habilitation claims.

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July 1, 2010 to September 30, 2013

FINDING	SUMMARY
<p>Finding No. 3 – CMP Did Not Obtain Quarterly Income and Expenditure Reports from All Providers as Required by CMP’s Provider Contracts.</p>	<ul style="list-style-type: none"> • CMP did not review of providers’ progress notes for any of the 23 base funded contracts tested as ODP does not require counties/local collaborative arrangements (LCAs) to perform this function. • CMP’s supports coordinators did locate, coordinate and monitor services and other supports, as supported by their progress notes. • CMP did not verify [REDACTED] actual costs for fiscal year 2012-13. • CMP’s contract language complied with 55 Pa. Code Chapter 4300.139a. • CMP did not pay contractors above contract maximums. • No obvious conflicts of interest existed with contracted parties. • CMP’s budgeting process was effective. • CMP accurately reported provider expense and reimbursement amounts on its Income and Expenditure Reports. • CMP has strong internal controls over contractor invoice and payment processing.
HIGHLIGHTS OF RECOMMENDATIONS	
<p>CMP should:</p> <ul style="list-style-type: none"> • Obtain and review audits, agreed-upon-procedures (AUPs), and contractor income and expenditure reports in accordance with contract provisions, and withhold payments from providers when they do not meet minimum contract provisions. <p>ODP should:</p> <ul style="list-style-type: none"> • Develop and implement statewide monitoring requirements that include the review of progress notes for base funded services. ODP should collaborate with CMP and other counties/LCAs during the process. 	

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

Results of Fieldwork

Finding No. 1 – Use of the Program Funded Model for Outpatient Services Resulted in a \$2,039,596 Overcharge to OMHSAS.

55 Pa. Code Chapter 4300.115(b) states, “The Medical Assistance program fee schedule and Chapter 1150 (relating to Medical Assistance program payment policies), identify psychiatric services and fees reimbursed by the medical assistance program. This fee schedule shall establish the maximum level of reimbursement by the Department to county programs for...outpatient psychiatric clinic services...”

Furthermore, 55 Pa. Code Chapter 4300.157 states, “Expenditures above the level of Departmental participation and services funded without Departmental approval shall be the fiscal responsibility of the county authorities. The allowable expenditure requirements included in this chapter refer to maximum levels of reimbursement in which the Department will participate. The county may fund programs, services, and facilities at a rate they elect. Expenditures above the approval levels shall be the responsibility of the county.”

The BFO judgmentally sampled 23 base funded contracts with eight providers totaling \$21,514,497. Nine of the 23 contracts tested with three of the eight providers were to provide Outpatient services at the established maximum rates.

CMP Program Funded Outpatient Services

CMP program funded six of the nine contracts for two of the three providers tested who should have been funded using established maximum rates. CMP’s contracts developed for outpatient services had two components: a service rate and a case rate to manage the client’s services. The case rate reimbursed the providers for the actual costs of the service up to a contract maximum regardless of the level of service provided. This type of contract would adhere to 55 Pa Code 4300.27, which defines program funding as “the procedure used to fund total eligible expenditures for a publicly or privately administered and staffed facility as predetermined by the County authority...”

The program funding of outpatient services eliminates any impetus for the providers to continually evaluate its service delivery system to ensure that service delivery was efficient and at a reasonable cost. Under program funding, a provider’s actual costs incurred are reimbursed regardless of the volume of services being provided. This tends to eliminate any need for staff to fill an open or cancelled slot. In addition, program funding of outpatient services subsidizes the private health insurance rate paid to the providers as well as the MA rate received for services, which is a direct violation of the MA agreement signed by the providers and 55 Pa Code Chapter 1150.51.

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The BFO determined that CMP's program funding of ██████ resulted in overpayments of \$169,574 for psychiatric rehabilitation services and \$1,003,966 for other outpatient services in excess of the maximum allowable rates for the audit period. CMP also overpaid ██████ \$866,056 in excess of the maximum allowable rates for outpatient services.

CMP failed to obtain a Waiver of 55 Pa. Code Chapter 4300.115(b)

County Programs are required by DPW to seek a waiver of Pa Code, Chapter 4300.115(b) each fiscal year if they wish to pay up to the MCO approved rates for clients who are not eligible for MA. This allows County programs to attract and retain providers who are receiving funding that exceeds the MA fee schedule.

The BFO identified that CMP made payments to one of the three providers for three of the nine contracts tested at rates above the established maximums. CMP would have paid ██████ an additional \$69,204 for outpatient services provided between July 1, 2010 and June 30, 2012 if the program funded model was not employed as described above. The rates that were established for ██████ contract were the Managed Care Organization (MCO) rates. This amount was credited to CMP in the program funding totals given above.

Although CMP management informed the BFO that CMP received verbal approval from OMHSAS to pay ██████ at the higher MCO rates, CMP did not have written authorization from DPW as required to pay in excess of the established MA fee schedule rates. CMP subsequently requested a retroactive waiver of the established rates during audit fieldwork but a decision was not reached as of the date of this report.

Subsequent Event

On May 9, 2014 the Department granted CMP a waiver of 55 Pa Code, Chapter 4300.115(b) for fiscal year 2012-13. The BFO reduced the recommended program funded recovery amount by \$30,525 as a result of the waiver.

Recommendations

The BFO recommends that CMP:

- Contract for the provision of outpatient services on a fee for service basis to ensure payments do not exceed the established maximum rates as required by 55 Pa. Code Chapters 4300.115(b).
- Obtain written approval before making payments above the established maximum rates.

The BFO recommends that OMHSAS:

- Recover \$2,039,596 related to payments above the established maximum rates.
- Collaborate with CMP management regarding their concern that the established rates do not cover providers' costs of providing services, determine if their concern is valid, and consider options for remedying the potential problem.

Finding No. 2 – ODP Reimbursed CMP \$55,005 for Unsupported and Undelivered Service Units.

CMP reimbursed █████ \$43,594 for fiscal year 2010-11 base funded habilitation services that are not supported by progress notes, as identified by the BFO during a previous audit. Furthermore, invoices indicate that one consumer received habilitation and residential services simultaneously.

Additionally, in fiscal year 2012-13, CMP paid SSS \$11,411 for a vacant bed. 55 Pa. Code Chapter 4300.152(c) states, "...payment to the facility shall be based on invoices for the units of service provided..." Since the bed was vacant, no service was actually provided to a consumer to justify the payments. CMP management stated that the payments were made to cover fixed overhead costs.

The BFO also identified that CMP contracted with █████ to provide unlicensed habilitation services in a licensed personal care home. However, the BFO concluded that CMP properly sought and received adequate approval from ODP. ODP informed the BFO that they based their decision on the best interests of the consumers receiving the services.

Recommendations

The BFO recommends that CMP:

- Sample █████ fiscal year 2011-12 habilitation claims, determine if adequate documentation is available to support the claims, and recover payments for any unsupported claims.
- Make unit of service payments only for units of service actually provided in accordance with 55 Pa. Code Chapter 4300.152(c).

The BFO recommends that ODP:

- Recover \$55,005 related to unsupported and undelivered base funded habilitation claims.

Finding No. 3 – CMP Did Not Obtain Quarterly Income and Expenditure Reports from All Providers as Required by CMP's Provider Contracts.

The BFO examined CMP's controls at various points in the contracting process. For all 23 contracts that we judgmentally sampled, the BFO determined that: contract language and components complied with 55 Pa. Code Chapter 4300.139a; CMP did not pay contractors above contract maximums; no obvious conflicts of interest existed with contracted parties; and CMP's budgeting process was effective.

The BFO summarized the remainder of the results into two categories for reporting purposes: Programmatic and Fiscal. The BFO further categorized the Fiscal section into two subcategories: Monitoring of Program Expenses, and Invoice and Payment Processing.

Carbon-Monroe-Pike Mental Health and Developmental Services
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Programmatic

55 Pa. Code Chapter 4300.113 states, "...The county/joiner shall be responsible for the effective execution of each purchase of service agreement. CMP did not conduct any reviews of progress notes for any of the 23 base funded contracts tested, as ODP regulations do not require them to do so. CMP only reviewed progress notes related to waiver funded services as required by ODP's Self-Monitoring process. ODP's Northeast Regional Program Manager informed the BFO that ODP's Self-Monitoring process focuses on waiver funded services due to the low volume of base funded services currently being provided in the Northeast; however, he also stated that ODP's focus on waiver services does not excuse CMP from verifying the effective execution of contracted base funded services as required by 55 Pa. Code Chapter 4300.113.

When CMP does not verify that adequate progress notes are maintained by contractors, CMP cannot be reasonably assured the contract is being executed effectively, billed services have been performed, and the consumers are working toward and achieving their goals. CMP management stated at the audit closing conference that they would like to see improvements in ODP's monitoring requirements over base funded services and waiver funded services as well. CMP and BFO agree that a big hurdle in executing a more extensive monitoring process is the lack of personnel and funding available to perform the additional monitoring.

CMP's supports coordinators did locate, coordinate and monitor services and other supports in accordance with 55 Pa. Code Chapter 51, as supported by the progress notes they entered in The Home and Community Services Information System (HCSIS). The BFO randomly sampled 113 Supports Coordination [REDACTED] claims and 113 Targeted Case Management [REDACTED] claims that were billed for dates of service between January 1, 2012 and June 30, 2013.

The 113 [REDACTED] claims were for 330 units at a cost of \$6,182. Only two of the 330 units tested totaling \$38 were not supported by progress notes. The 113 [REDACTED] claims tested were for 322 units at a cost of \$5,933. All 322 units tested were supported by adequate progress notes. Due to CMP's overall compliance, the BFO elected not to extrapolate or recommend recovery of the \$38 from CMP.

Fiscal

Monitoring of Program Expenses

CMP's contract audit requirements state, "Provider contracts of less than \$500,000 but equal to or more than \$100,000 in combined federal, state and local funds...shall institute Agreed-Upon-Procedures (AUP) based on the Program's analysis of Provider risk. These procedures should include supplemental financial schedules, management inquiries of adjustments and disclosures detailing the adjustment process. Agency-wide audits performed for other funding sources, contracts or organization requirements and not to be funded through Program contracts, shall be submitted to Program and may be in lieu of AUP process."

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The BFO checked for audits and/or AUPs for 16 of the 23 contracts that were judgmentally sampled. The 16 contracts each totaled over \$100,000 and included negotiated rates or were program funded based on actual costs. CMP did not obtain an AUP for one of the 16 contracts tested. CMP's Fiscal Operations Officer informed the BFO during audit fieldwork that an audit or AUP was not made available to CMP by ██████ for fiscal year 2012-13. CMP's Administrator informed the BFO at the audit closing conference that CMP continued to make payments to ██████, despite their noncompliance, to ensure the well-being of the consumers that were being served. CMP's Administrator also informed the BFO that CMP terminated the contract with ██████ effective April 1, 2014 at the request of County Commissioners.

CMP's contract payment provisions state, "Provider must submit an income and expenditure report at required intervals, no less than quarterly. Payment shall be made on the basis of monthly detailed service rendered reports, and income and expense reports submitted as required, at least quarterly." The BFO checked for quarterly reviews of contractor income and expenditure reports for 20 of the 23 contracts that were judgmentally sampled for the entire audit period. The 20 contracts tested included negotiated rates or were program funded based on actual costs. CMP did not obtain and review 11 first quarter reports, three second quarter reports, five third quarter reports, and one fourth quarter/annual report. The one annual income and expenditure report not obtained also related to CMP's fiscal year 2012-13 contract with SSS.

When actual costs are not verified by audit or other means, CMP cannot assure that reimbursement is based on reasonable costs, verify financial information for making a final determination of allowable costs, or obtain other financial information as needed to fulfill its responsibilities. Furthermore, when adequate controls are not in place, there is an increased risk of noncompliance, errors, fraud, waste and abuse.

Invoice and Payment Processing

The BFO concluded that CMP has strong internal controls over contract invoice and payment processing. CMP's control environment is supported by detailed written procedures that include segregation of duties often not displayed within administrative units of a similar size.

The BFO reconciled the reimbursement amounts reported on CMP's Income and Expenditure Reports to check stubs for 16 fiscal year 2010-11 and 2011-12 contracts that were judgmentally sampled. Fiscal year 2012-13 Reports were not yet due at the time of testing. The BFO did not identify any material overstatements of reimbursement amounts for the 16 contracts that were tested. The BFO also reconciled the expenses reported on CMP's Income and Expenditure Reports to provider invoices for the same 16 contracts. The BFO did not identify any material overstatements for the 16 contracts that were tested. Furthermore, the amounts reported in CMP's accounting system reconciled to contractor invoices and the Income and Expenditure Reports.

Recommendations

The BFO recommends that CMP:

- Obtain and review audits, AUPs, and contractor income and expenditure reports in accordance with contract provisions, and withhold payments from providers when they do not meet minimum contract provisions.

The BFO recommends that ODP:

- Develop and implement statewide monitoring requirements that include the review of progress notes for base funded services. ODP should collaborate with CMP and other counties/LCAs during the process.

Auditor's Commentary

The BFO evaluated CMP's response to the draft report. The BFO did not find it necessary to modify the report as a result of CMP's response, as the report findings are supported by the regulations that were cited.

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



The response to each recommendation should indicate the program office'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

**CARBON-MONROE-PIKE MENTAL HEALTH AND
INTELLECTUAL DISABILITIES PROGRAM**

APPENDIX A

Appendix A

Background

The Carbon-Monroe-Pike Human Services local collaborative arrangement was created May 29, 1967 to provide mental health and developmental services to the residents of each member County. Carbon-Monroe-Pike Mental Health and Intellectual Disabilities Program (CMP) provides services directly and by purchase of service contracts. The Department of Public Welfare (DPW) funds services using two payment methodologies, unit of service and program funding, based on the funding requirements for individual services. Unit of service, also known as fee-for-service, funding is paid at established rates per service unit. In contrast, program funding compensates providers for total eligible expenditures.

CMP's mission is "to partner with consumers, family members, service providers, and community members to assist individuals with emotional, behavioral, or developmental issues, and their families, in becoming self-sufficient and obtaining an improved quality of life. This will be accomplished by creating and maintaining an environment that promotes and supports recovery and resiliency and by linking individuals and families to necessary and desired supports."

CMP's administrative offices are located in Stroudsburg, Pennsylvania. CMP also has two regional offices in Lehighon and Milford, Pennsylvania.

Objective, Scope and Methodology

Our audit objectives were:

- To determine if CMP is adhering to the contracting provisions of 55 Pa. Code Chapter 4300 for base funded mental health and intellectual disability services contracted between July 1, 2010 and September 30, 2013.
- To determine if supports coordination units billed to PROMISE by CMP for dates of service between January 1, 2012 and June 30, 2013 are substantiated by progress notes in accordance with 55 Pa. Code Chapter 51.16.

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, certain material deficiencies came to our attention. Areas where we noted material deficiencies or an opportunity for improvement in management controls are addressed in the findings of this report.

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 our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our fieldwork was performed intermittently between October 22, 2013 and January 30, 2014. A closing conference was held with CMP management on March 14, 2014 and an exit conference was held on June 6, 2014, to discuss the results of the audit. This report is available for public inspection.

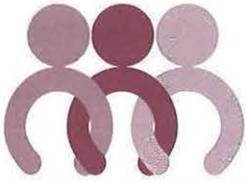
Conclusion on the Objectives

In conclusion, CMP did not adhere to all contracting provisions of 55 Pa. Code Chapter 4300 with regards to outpatient services, which resulted in DPW overpayments totaling \$2,039,596. Additionally, CMP reimbursed a provider \$55,005 for unsupported and undelivered services. Conversely, CMP properly billed supports coordination units that were substantiated by progress notes in accordance with 55 Pa. Code Chapter 51.16.

**CARBON-MONROE-PIKE MENTAL HEALTH AND
INTELLECTUAL DISABILITIES PROGRAM**

RESPONSE TO THE DRAFT REPORT

APPENDIX B



Carbon-Monroe-Pike Mental Health and Developmental Services

Sheila Theodorou, Administrator

June 2, 2014

Mr. Brian Pusateri, Audit Manager
Bureau of Financial Operations
Department of Public Welfare

Dear Mr. Pusateri:

We are in receipt of the draft performance audit report for Carbon-Monroe-Pike Mental Health and Developmental Services (C-M-P) as prepared by the Division of Audit and Review (DAR). The following is our response to the audit as well as supporting documentation. As communicated in the letter dated April 22, 2014, we understand this response will be considered in the preparation of any final report.

To begin this response, we view it as essential to discuss our history of innovation and efficiency in the development of the Mental Health and Developmental Services Programs.

Since 1967, C-M-P has demonstrated innovation and efficiency and the delivery of successful services to individuals in our community. Some key examples are:

- 1. Five successful community hospital integration projects, with one in progress.** This involved a total of 95 people discharged from the state hospital setting and 144 people diverted from state hospitalization. It is of significant note that the readmission rates among this population for C-M-P are extremely low, having only five individuals return to the state hospital who subsequently were discharged and returned to the community setting.
- 2. Innovative service delivery to families and children.** This was a collaboration with three Children and Youth serving agencies, resulting in one of the lowest numbers of children referred and/or residing in a residential treatment facility (RTF) in Pennsylvania. Currently, there are only fourteen children enrolled in RTFs.
- 3. Common Ground Innovation Clinic established in Mount Pocono in partnership with NHS-Pennsylvania.** The state-of-the-art model provided by NHS-Pennsylvania was one of the first clinics of its kind in Pennsylvania as well as the United States. Common Ground, an innovative evidenced-based model developed by [REDACTED] a nationally recognized expert who also has a diagnosis of schizophrenia, is a model that truly collaborates between consumers and medical personnel in order to provide holistic, effective treatment to individuals in a collaborative atmosphere emphasizing consumer choice and responsibility.
- 4. Program efficiencies.** In 2012, when faced with a reduction in our mental health and developmental services funding of \$1.2 million, our agency established a virtual support coordination and targeted

case management initiative. We coupled this with electronic document storage. The end result of this project resulted in a successful closure of two outlying offices and a reduction in operating expenditures. As a result of these and some other cost-efficient measures, we were able to successfully sustain services for individuals within the community at the present level of funding without passing along further reductions to the provider network.

5. **Forensic grant.** We applied for and have been awarded a competitive grant to provide case management and cognitive behavioral therapy (CBT) to individuals in the county correctional facilities and to those who are released from county and state corrections. These efforts have reduced the recidivism rates for those who participate in the program to 5 percent as compared to 49 percent in the general population.

FINDING NO. 1. Use of the Program Funded Model for Outpatient Services Resulted in a \$2,070,121 Overcharge to the Office of Mental Health and Substance Abuse Services (OMHSAS).

RESPONSE 1

C-M-P does not concur with this finding. Specifically, we do not agree with the term “overcharge.” The basis of our non-concurrence is listed below.

DISCLOSURE OF FACTS

The Mental Health and Mental Retardation Act of 1966, SECTION 301 (d)

“Subject to the provisions of sections 508 and 509(5), it shall be the duty of local authorities in cooperation with the department to insure that the following mental health and mental retardation services are available:

- (1) Short term inpatient services other than those provided by the State.
- (2) **Outpatient services.**
- (3) Partial hospitalization services.
- (4) Emergency services twenty-four hours per day which shall be provided by, or available within at least one of the types of services specified heretofore in this paragraph.”

Commonwealth of Pennsylvania, 55 Pa. Code Chapter 4300

The following chapters support our payments for allowable and reasonable costs to NHS-Pennsylvania and The ReDCo Group.

§4300.22. Departmental financial participation.

“A service shall qualify for Departmental financial participation if it is authorized by the act and is specifically provided for in this chapter or approved by the Department in advance of its incorporation in the county plan as training, research or another service or program designed to prevent mental disability or the necessity of admitting or committing the mentally disabled to a facility.”

§4300.26. Unit of service funding.

“Unit of service funding is the procedure used to fund facilities based on a charge per unit of service. Unit of service funding applies to facilities which are administered separately from the county or county joinder and which receive reimbursement by a contracted *per diem* or fee rate. Funding is based on a charge per service.

(1) The following services shall be purchased **only** by the unit of service:

- (i) Inpatient care.
- (ii) Partial hospitalization.
- (iii) Laboratory services.
- (iv) Drugs.
- (v) Respite care.
- (vi) Interim care.
- (vii) Services where the provision of the service is not limited to the mentally disabled, such as a workshop service or day care.”

NOTE: Outpatient MH Services are not listed in this provision.

§4300.27. Program-funding.

“Program-funding is the procedure used to fund the total eligible expenditures for a publicly or privately administered and staffed facility as predetermined by the county authority. The funding may apply to the total agency operation or to a portion thereof.”

§4300.113. Responsibility of the county.

“The county authorities shall be responsible for determining the best possible fee for the purchase of **services**. The availability of alternative methods for purchasing services may not be construed as mandating the payment of a fee which is higher than **necessary and reasonable** for the service. The county/joinder shall be responsible for the effective execution of each purchase of service agreement.”

§4300.115. Department established fees.

“(a) Rates or fees per unit of service may be published as a Departmental bulletin by the Department for selected services. These published fees are considered to be a reasonable cost for the services covered by the fee schedules. They represent the maximum amount in which the Department will participate for the identified services. **When payment is based on established fees, the county/joinder and provider are not required to negotiate or determine unit costs based on the allowable cost standards in §§ 4300.82 - 4300.108.**”

NOTE: C-M-P asserts that we **elected to negotiate and determine unit costs** based on the allowable cost standards and expenses of the outpatient providers cited in the report because the services in question do not have an established rate. C-M-P established an alternative payment arrangement (APA) with the outpatient providers for non-billable services utilizing 55 Pa. Code Chapter 4300 as our guide. Our methodology will be discussed later under “Development of The Case Rate.”

§4300.116. County negotiated fees.

“(b) In addition to other required contract provisions, contracts for negotiated fees shall comply with the following:

- (1) The contract budget on which the rate is based and method used to compute the rate shall be included. The contract budget shall include, as a minimum, subtotals for major objects--personnel expenses, operating expenses, and fixed assets.
- (2) If the Department has established productivity standards for services--occupancy/use--the county program shall incorporate the standards into the rate determination.
- (3) The contract shall be audited under §4300.161 (relating to contracted agency audits) and shall include the following:
 - (i) Verification that the units of service billed were provided and were billed at the proper rate.
 - (ii) Establishment of actual unit costs.
- (c) The Department will participate in the cost of reimbursement of unit of service providers under this section subject to §4300.117 (relating to computation of reimbursement).
- (d) Departmental participation in payments based on negotiated rates shall be adjusted for reported or audited actual costs, or both, and compliance with §§4300.82 – 4300.108 and §4300.158 (relating to revenue). The allowances provided under §4300.87(c)(2)(iii) and (vii) (relating to occupancy) and §4300.108 (relating to retained revenue) are considered costs under this subsection. Audits shall be conducted under §4300.161."

RESPONSE 2

Payments limited to the outdated MA Fee Schedule fees do not assure provision of medically necessary behavioral health services.

DISCLOSURE OF FACTS

BFO faults the Carbon-Monroe-Pike Mental Health and the Developmental Services Program ("C-M-P") for assuring the availability and provision of medically necessary clinic services to the residents of Carbon, Monroe and Pike Counties in need of such services during the period July 1, 2010 – September 30, 2013 by paying for the services at rates in excess of the Medical Assistance fee schedule. Unmentioned in the draft report is that most of the psychiatric clinic related fees listed in the MA Fee Schedule have remain unchanged since 1999. Also unmentioned is that the behavioral health managed care organizations under contract to the Department have traditionally paid for outpatient psychiatric clinic service at rates significantly above the corresponding MA Fee Schedule rates.

Under Section 201 of the Mental Health and Intellectual Disability Act of 1966, 50 P.S. §4201, the Department is obligated to assure within the Commonwealth the equitable availability and provision of behavioral health services for all persons who need them. The MA fees that the BFO Report relies upon to cap C-M-P's state reimbursable payments for psychiatric clinic services do not remotely reflect the cost of providing the services in the amount, duration and scope deemed medically necessary by behavioral health professionals. The report provides no factual support whatsoever for its inference that the MA rates reflect payments that are consistent with assuring access to and quality of care. Indeed, the practice of the MCOs to pay their network providers at rates higher than the MA Fee

Schedule belies any counter argument in the Report that C-M-P could have secured the clinic services in the amount, duration and scope than it did for less than it paid.

Finally, as to the contract payments themselves, at all times C-M-P has fully disclosed and documented to the Department the range of clinic services that it sought (and seeks) to provide to its residents as well as the terms and conditions governing the nature and amount of payment for services. Even a cursory reading of the scope of services and the payment terms and conditions disclose provider compliance requirements well in excess of the simple Fee Schedule standards.

Accordingly, because the BFO Report seeks to cap C-M-P's state reimbursable payments for outpatient clinic services to Fee Schedule rates that are not reflective of the costs of providing psychiatric clinic services (which the Department has explicitly recognized through its contracts with managed care organizations); because C-M-P has demonstrated that its payment rates assure access to less expensive outpatient clinic services by persons suffering with serious and persistent mental illness as opposed to inpatient care; and because the C-M-P payment rates themselves are consistent with objective auditing measures for these types of services, i.e., rates that are generally recognized as ordinary and necessary for the operation of the program, assure the provision of clinic services that are consistent with efficiency, economy and quality of care and that were adopted with prudence and sound business practice, the BFO Finding No. I is factually unsupported and legally indefensible.

Unique Challenges/ Undue Hardship and Development of Alternative Payment Arrangement

The Mental Health Act of 1966 laid the foundation of the program that was developed by C-M-P from 1967 to the present. The provision of outpatient services and, in particular psychiatry combined with therapy, is a **critical** component for individuals suffering from serious and persistent mental illness in order to begin their journey toward recovery.

When the C-M-P Joinder was established in 1967, C-M-P was initially established as the provider of outpatient services. From 1967 to 1992, C-M-P relied substantially on a federal program that subsidized the expenses of the psychiatrists. The J-1 Visa program provided for tuition forgiveness of college loans and medical school expenses for psychiatrists who agreed to work in rural areas that were deemed underserved. C-M-P was able to provide outpatient services under that framework and not incur fiscal deficits.

By the late 1980's and certainly by 1992, it became increasingly difficult to operate the outpatient program in an effective manner. Therefore, C-M-P initiated a Request for Proposal process (RFP) due to financial challenges. Another factor that contributed to this decision was the beginning of what would become unprecedented population growth in an area that possessed inadequate community infrastructure (e.g. public works, transportation, etc.). All of this was complicated by the loss of the J-1 Visa program.

In 1992, the C-M-P RFP process yielded very few vendors who were interested in providing mandated outpatient services in the Pocono communities. C-M-P has never enjoyed the status of having a large hospital-based system or a federally funded health clinic that could operate such programs under a large medical infrastructure. ██████████ assumed the outpatient operations that year. From 1992 to the present, outpatient providers in the Pocono communities have struggled financially due to complicated state and federal regulatory requirements and inadequate fee-for-service funding and higher than average occupancy expenses.

Contributing factors to this phenomenon include:

- **Lack of density** in each of the communities to potentially “fill in” no-show appointments.
- **Inadequate public transportation** in order to facilitate appointments with consumers.
- **Unprecedented population growth.**
- **Competition for qualified mental health professionals** from surrounding urban areas, specifically New York and New Jersey. These states attract many of our more qualified clinicians due to significantly higher salaries.
- **Higher than average occupancy costs** compared to other counties in the Northeast.

During the period of 2002 to 2007, the Poconos were reaching critical mass due to significant population growth in Monroe and Pike Counties. This increase was primarily due to people relocating from the New York and New Jersey metropolitan areas to take advantage of low taxes and affordable real estate. Literally, both counties more than doubled in size. Inadequate infrastructure for public works and transportation created “islands” of communities where residents became isolated and unable to access community services. Family structures experienced greater stress due to the lengthy commutes for employment, while leaving children home alone and unsupervised. The need for mental health services to engage with this emerging situation became critical. During the period of this rapid growth, the mental health program received nominal funding increases and some decreases. By 2006, C-M-P was receiving the lowest per capita reimbursement rate for mental health services in Pennsylvania’s Northeast Region as well as the entire state.

C-M-P approached the State to join HealthChoices quite early in its inception and was prepared to implement with the Lehigh Capitol Initiative. That request was denied by the Department. Following the Lehigh Capitol initiative, poor economic projections at the state level created a gap in HealthChoices implementation. In 2007-2008, C-M-P was included as a part of the last expansion of the program.

Development of the Case Rate/Alternative Payment Arrangement (APA)

Despite the HealthChoices implementation, there remained a gap in the necessary resources to provide clinic-based outpatient services in a rural community with our unique characteristics. Recognizing the need to provide cost-effective quality services, in 2010 C-M-P engaged in a process with the two outpatient providers to quantify the units of service; the number of people receiving services; and the services that were being delivered that were not covered by the Medical Assistance program but necessary in order to operate outpatient. This process led to the development of an alternative payment arrangement (APA), which refers to any contractual agreement for reimbursement that is not based on a traditional fee-for-service model. It must be emphasized that both these clinics serve the preponderance of individuals considered seriously and persistently mentally ill and individuals who transitioned from state hospital environments.

The APA we established captures non-billable services in a case rate structure in order to provide essential services to the population we discussed. This APA, which we consider to be compliant under §4300.116, was developed to include the following services: Nursing Support, Case Management, Engagement Outreach, Therapy, and Administrative Support.

C-M-P negotiated with each provider in analyzing time studies; defining types of consumer-related activities currently non-billable; what constitutes a unit (i.e., quarter hour, half hour, etc.); no-show rates versus face-to-face billable time; and comparing rates of similar services. Unit delivery was identified for the individuals who were active in our base service unit and who were seriously and persistently mentally ill. A rate of reimbursement was assigned to the activity.

The following consumer activities take place on an ongoing basis (please note this list is not all inclusive):

- Prior authorizations for medications.
- Coordination with pharmacies regarding medications.
- Follow-up questions and answers to consumers via phone regarding side effects of current medications.
- Completion of indigent medication applications.
- Coordination of care with other medical practitioners, most frequently primary care physicians.
- Coordination of care with other behavioral health providers, including CCBH for high-risk consumers.
- Outreach to consumers via telephone.
- Interagency meeting coordination and/or attendance (consumers not always present or may be off site).
- Case management, face-to-face.

Our method of reimbursement occurs on a monthly basis. The providers are required to submit encounter data on prescribed forms, quarterly income and expenditures reports, and annual independent audit reports. Actual costs are verified to ensure that reimbursement is based on reasonable costs, verifying financial information for making a final determination of allowable costs.

Compliance/OMHSAS Oversight

C-M-P references the Department's Program Standards and Requirements for HealthChoices, in particular Appendix BB. Simply stated, Appendix BB waives the 55 Pa. Code Chapter 4300 for the behavioral health managed care organizations (MCOs), in particular §4300.115(b). We are requesting the same consideration for C-M-P.

We also call attention to the following key aspects of state oversight of our program:

1. During the period assessed by the Bureau of Financial Operations (BFO), Income and Expenditure Reports were completed by C-M-P and CERTIFIED by the Department. These reports clearly delineated the expenses for the outpatient program, including our case rate billing (see Attachment 1).
2. During the period noted by the BFO finding, as required by §4300.161, independent audits were conducted of the provider organizations as well as C-M-P. There were no findings concluded in any of these reports.

Efficiencies

At the request of C-M-P, both providers implemented efficiency measures including:

- Phone call reminders initiated by reception staff to facilitate appointments and reduce "no-show" rates.
- The ██████████ relocated the Pike County office to share space and cost with the Carbon-Monroe-Pike Drug & Alcohol Commission, Inc. This also resulted in better quality of co-occurring services.
- The ReDCo Group moved the Carbon Office clinic to a more cost-effective space.
- ██████████ and ██████████ implemented Telepsychiatry in order to reach out to the rural areas and deliver additional services.

- [REDACTED] attained licensure to serve co-occurring populations and share expenses.
- [REDACTED] hired a physician assistant to reduce the expense for psychiatry.
- Both providers maintained licensure with positive feedback from the Department.
- Both [REDACTED] and [REDACTED] launched [REDACTED] "Common Ground" tool kit, an evidence-based quality clinic that engages people they serve in a collaborative approach, facilitating recovery with consumers in an equal partnership.
- The [REDACTED] model in Mount Pocono utilizes fee-for-service therapy professionals who are only paid based on actual number of people served and units of service provided.
- [REDACTED] sets productivity standards for all clinical professionals, including psychiatrists, therapists, and administrative staff. Routine productivity standards and analyses are conducted on a monthly basis and measured against fee-for-service billing.
- Confirmation calls the day prior to appointment.
- No-show letters advising to reschedule.
- Monitoring the likelihood of an individual to show for an appointment and double booking on the half hour as appropriate.
- Discharging individuals with patterns of missed appointments and no responses to outreach.
- Implementing e-prescribing to ensure individuals are not 'double dipping' or abusing the privilege of receiving prescribed medications.
- [REDACTED] and [REDACTED] conduct routine internal audits to ensure there is no fraud, waste, or abuse.
- [REDACTED] obtained accreditation (Council on Accreditation) which requires a higher level of auditing of charts, including monthly monitoring for integrity, timeliness of treatment plans, date and time of service delivery, signatures on encounter forms, and quality notes related to treatment plans.
- [REDACTED] is launching its electronic health record, [REDACTED] which will incorporate additional layers of accountability across documentation, authenticate type of service and the qualifications of person providing service, time of sessions, etc. NHS-Pennsylvania already possesses a similar system.
- [REDACTED] and [REDACTED] maintain a strong compliance department that audits programs independent of operations

These are simply some of the efficiencies established by both outpatient clinics in the last three years, there are many more.

DISCLOSURE OF FACTS

C-M-P wished to engage in HealthChoices from its early inception in 1998. Unfortunately, we were not included until the last expansion of the program in 2007-2008. C-M-P knew historically from the other area counties that they were able to pay up to the managed care rate as well as other alternative funding strategies. C-M-P expressed to OMHSAS on many occasions during our implementation how effective it would be to utilize the MCO rate to assist us with providing services. C-M-P would like to note here the Department's Program Standards and Requirements (PS&R) for HealthChoices, in particular Appendix BB. Simply stated, Appendix BB waives the 55 Pa. Code Chapter 4300 for the behavioral health managed care organizations (MCOs), in particular §4300.115(b). We are requesting the same consideration for C-M-P.

C-M-P conducted a random survey of other county programs across the Commonwealth and found that there are many other counties who do not understand the waiver requirement. C-M-P respectfully

suggests that the both the Division of Audit and Review and OMHSAS consider providing a training for counties to obtain this necessary information in order to facilitate statewide compliance.

On November 21, 2013, C-M-P immediately requested a waiver from the Office of Administration and directed that correspondence to ██████████ Deputy Secretary. On May 9, 2014, C-M-P received correspondence that the waiver request was approved for FY 2012-13 and 2013-14.

C-M-P clearly did not understand the requirement to submit this documentation in writing and apologizes for this oversight.

ACTION TAKEN

C-M-P began exploring alternative successful models of outpatient programs operated in a rural environment due to discussions with the BFO during their field work. Presently, there are only a few models available. Our rural status, combined with the urban influence and lack of hospital systems willing to engage with the program, make our area truly unique. However, we are committed to evaluate all solutions and will continue to work in coordination with Community Care in order to assess the network in terms of capability and possible resources we have not explored.

C-M-P initiated discussion with Community Care to examine outpatient rates of reimbursement for the two clinics. As a result of this, Community Care implemented a ten percent increase in outpatient rates for both sites. We are currently in the process of analyzing these rates as compared to utilization and cost efficiencies and fully expect there will be a subsequent rate increase specific to these clinics due to the type of engagement they provide to the seriously and persistently mentally ill.

On May 21, 2014, C-M-P requested a waiver of §4300.115(b), from ██████████ Deputy Secretary of the Office of Mental Health and Substance Abuse Services. In this request, C-M-P summarized our methodology concerning the 55 Pa. Code Chapter 4300 that resulted in an alternative payment arrangement (APA). C-M-P also provided back-up documentation and summary regarding the undue hardship and challenges our counties have faced in providing appropriate funds to the two major outpatient provider clinics who predominantly serve seriously and persistently mentally ill consumers and families as well as individuals who have transitioned from the state hospital environment.

C-M-P initiated several phone conferences with both impacted providers in order to gain more information regarding our compliance status as well as alerting the network that changes might be implemented at the county level at the behest of the BFO. Both providers conducted extensive financial analyses, including an analysis of data regarding units of service provision and the number of people served. Understanding that we cannot continue to expose the three counties to additional risk, we informed both agencies that if the Department approves the waiver request to pay up to the managed care rate effective July 1, 2014, that the rate would be effective throughout the three counties. The providers are in the process of developing budgets to put forth this consideration.

Preliminarily, both agencies are discussing **significant cutbacks**.

Reduction of psychiatric and therapy services. The last U.S. census estimated the total number of people living in our three counties exceeded 280,000. Currently, 74 hours a week for psychiatric services are provided by two outpatient providers who operate clinics geographically located within the three counties, clearly in excess of the sixteen-hour requirement. It is our understanding, given reduced funds available through an APA, that effective July 1, 2014, the number of psychiatric hours available will

diminish by one-third to one-half and at least six mastered prepared therapists will be laid off as well as other administrative staff. Approximately 1,500 people served across the network will experience difficulty accessing services and experience wait time of four to six months or more.

As we know, medications and access to these for people who are seriously and persistently mentally ill are the basic building block in a recovery plan. Arguably, people who do not need medications or can access these through primary care are not in need of the community mental health system. This is not the population served by the C-M-P MH outpatient clinics. The population served is the chronic and seriously mentally ill. As wait time for basic services backlogs, there will be a direct impact of increased inpatient services and residential for children. Currently, we only have 42 beds available at the two local hospitals. It is then anticipated that the waiting list for state hospitals will increase, calls to crisis units and help lines will escalate, and interaction with law enforcement will rise. We cannot stress the negative impact this will have on the people in our community at a time when the mental health system is characterized by many media sources as underfunded and broken.

Summary

C-M-P does not concur with the findings, specifically the finding that the county **overcharged** OMHSAS for outpatient services. Indeed, actual expenses verified by income and expenditure reports signed by the Department and independent audits show these funds were legitimately expensed on a mandated core service. This service was provided to seriously and persistently mentally ill consumers in the three counties at a reasonable and prudent cost. C-M-P developed a case rate/APA to reimburse providers as per the 55 Pa. Code Chapter 4300 cited. At the end of the three-year period audited by the Bureau of Financial Operations, a total of 4,094 duplicated individuals received services under this APA funding methodology.

We respectfully request that the Deputy Secretary of the Office of Mental Health and Substance Abuse Services waive the requirement for recovery of the \$2.1 million associated with this finding in recognition of the legitimate expenses incurred.

FINDING NO. 2. The Office of Developmental Programs (ODP) Reimbursed C-M-P \$55,005 for Unsupported and Undelivered Service Units.

RESPONSE

C-M-P does not concur with this finding.

DISCLOSURE OF FACTS

This program was developed through an innovative approach by the counties to create services for people with dual diagnosis, mental health, and intellectual delay. [REDACTED] initially operated as a personal care boarding home and, in 2013, a Community Residential Rehabilitation program. Supporting documentation provided to the BFO on October 31, 2013 (see Attachment 2) regarding [REDACTED] reveals a revolving door of service definitions and funding methodologies from 2006 until 2013. During this period of time, ODP changed the funding paradigm for personal care boarding homes several times, and the service definitions with which we complied changed frequently (sometimes retroactively).

The program initially conceived as a personal care boarding home demonstrated valid personal care log notes, progress notes, and attendance sheets, substantiating that services were delivered to the individuals who resided there. The chaotic nature of both the funding methodology combined with the shifting service definitions and methods to comply with them, created a situation which, at best, was confusing. This created an environment where it was very difficult to obtain shifting standards of compliance. C-M-P worked diligently with the local Regional Office of Developmental Programs throughout all the changes that occurred with this small residential program as documented by e-mails and letters during this time. All actions taken were approved by ODP.

In 2012-13, circumstances reached a critical place where we fully believed that the program would fold as a result of not being able to secure an appropriate license that would then translate into an appropriate funding methodology. Resolution was achieved when [REDACTED] the Program Manager of the Regional Office of Developmental Programs, suggested that the program might be successful under a mental health Community Residential Rehabilitation license. Actions were taken immediately to achieve licensure as well as compliance with documentation and funding methodology. During the fall of 2013, this licensure was obtained and appropriate funding, again, provided to the agency.

FINDING NO. 2. In fiscal year 2012-13, C-M-P paid [REDACTED] \$11,411 for a vacant bed.

RESPONSE

C-M-P concurs with this portion of the finding and puts forth the following explanation.

DISCLOSURE OF FACTS

As discussed during this time, the provider, the county, and the Regional Office of Developmental Programs struggled to find an appropriate program model and funding methodology. Under a worst case scenario, we began to consider moving individuals out (see Attachment 3 regarding letter to [REDACTED] [REDACTED] noting termination of the contract). During the time that we strongly considered closing the home a vacancy existed and the provider asked for referrals. Following discussion we made a decision to not provide a referral understanding that if a consumer would be referred and move in we might quickly be informing them, as well as the other residents, that the program was going to close. With this in mind we chose to leave the bed in question vacant while final decisions could be concluded with ODP and OMHSAS. C-M-P paid the provider in good faith for this vacancy substantiated by the final income and expenditure report that we were able to obtain on December 5, 2013.

C-M-P respectfully requests that the Secretary of the Office of Developmental Programs waive this requirement for recovery. We make this request of the Secretary hoping that she will understand that filling this vacancy under these unusual circumstances could have been counter-productive to any consumer referred. We also contend that an appropriate vacancy factor was applied in this situation.

ACTION TAKEN

Discussions with the Regional Office of Developmental Programs and various people within the Department of Financial Operations suggest that the provider in question, [REDACTED] has a history of challenges in terms of financial reporting requirements. It is our understanding that the provider has a significant history of non-compliance in submitting cost reports to ODP and, at some point, resulted in the provider receiving the lowest rate in the state for various services. It is our understanding this ruling was appealed by the provider.

Fourteen years ago C-M-P actually contacted the BFO on several occasions and asked to have an agreed-upon procedure performed at the provider organization that resulted in little or no action by the Department. Disheartened by this outcome, we continued to attempt to work with the provider to resolve these issues.

It is of note that in the spring of 2014 it was decided by management that we would endeavor in an RFP process regarding the program noted. This was primarily conducted due to clinical issues. The RFP was conducted and a new provider was assigned effective April 1, 2014.

FINDING NO. 3. C-M-P Did Not Obtain Quarterly Income and Expenditure Reports from All Providers as Required by C-M-P's Provider Contracts.

RESPONSE

C-M-P concurs that we did not obtain quarterly income and expenditure reports from providers as required by C-M-P's provider contracts.

DISCLOSURE OF FACTS

C-M-P did not require providers to submit first quarter reports. July through October is a busy period for fiscal staff with some of the following activities occurring simultaneously: preparing prior year annual reports; assisting independent auditors with fieldwork; reviewing ODP cost reports; and preparing internal budgets and cost allocation plans for the new fiscal year. C-M-P intentionally redirects resources during this time, especially since three more quarters exist, thus allowing for more time to reconcile (if necessary) with the providers.

ACTION TAKEN

C-M-P is in the process of reviewing our contract parameters and plans to implement changes that will reflect the true nature of the work that we conduct. These policy changes will yield more effective and efficient outcomes in our review of provider financials. We plan to have our contract changes ready for review by the Commissioners on June 23, 2014.

C-M-P is unclear why the BFO noted a citation for review of provider progress notes for base-funded contracts while noting that ODP does not require counties or local collaborative arrangements to perform these functions. Indeed, the BFO recognizes that ODP does not provide sufficient resources to actually conduct this work. C-M-P is also confused why [REDACTED] would suggest that we provide this

type of oversight while understanding that we are not required to do so and have inadequate resources. C-M-P does agree that our supports coordinators did locate, coordinate, and monitor services and other supports as supported by our progress notes.

C-M-P did verify [REDACTED] actual costs for FY 2012-13 received on December 5, 2013 (see Attachment 4).

C-M-P agrees with the remainder of the summary provided in this finding.

In closing, C-M-P would like to thank the auditors from the Bureau of Financial Operations for their professionalism during this engagement as well as their quick response to any questions. We understand the interpretation that is being applied by the auditors regarding the 55 Pa. Code Chapter 4300. While we recognize this interpretation, we respectfully put forward our own interpretation which was utilized in developing the alternative payment arrangement discussed at length in our response. We ask that both the BFO and the Department conclude this matter as quickly as possible in order for us to maintain the level of care for the seriously and persistently mentally ill in our three counties.

We look forward to your prompt response and the meeting that will be held on June 13, 2014.

Yours truly,


Sheila Theodorou
Administrator

c: C-M-P Commissioners
[REDACTED]

If you disagree with the certification action taken with respect to your report, please refer to the appeal process for County Mental Health/Mental Retardation Income and Expenditure Reports as stated in Administrative Bulletin 2008-16, dated November 7, 2008. If you have any questions concerning this letter, please contact [REDACTED] Financial Reporting and Payments Section, at [REDACTED]

Sincerely,

Alexander Matolyak

Alexander Matolyak, Division Director

Enclosure

c: The Honorable Susan McCool, Chairperson
Monroe County Commissioners
The Honorable Richard A. Caridi, Chairman
Pike County Commissioners
Ms. Sheila Theodorou, Administrator
Ms. Kathleen Peterson, Fiscal Operations Officer

Commonwealth of Pennsylvania
 DPW - Bureau of Financial Operations
 County Mental Health Report of Income and Expenditures
 MH15 MENTAL HEALTH SERVICES
 Fiscal Year 2010 - 2011

Revision Number 0

Carbon/Monroe/Pike MH/MR/EI Program

Sources of DPW Funding	App	DPW Funds Available			Costs Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6A)	CSR State Grant Fund Adjustments (6B)	CSR - Promise Adjustments (6C)	Total Fund Balance (7)
		CarryOver (1)	Allotment (2)	Total Allocation (3)						
A. MH SERVICES		\$742,689	\$8,801,110	\$9,543,799	\$9,066,455	\$477,344	\$0	\$0	\$0	\$477,344
B. OTHER STATE FUNDS										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$279,899	\$279,899	\$279,899	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9. Total Other State		\$0	\$279,899	\$279,899	\$279,899	\$0	\$0	\$0	\$0	\$0
C. SSBG		\$0	\$3,274	\$3,274	\$3,274	\$0	\$0	\$0	\$0	\$0
D. CMHSBG		\$0	\$135,914	\$135,914	\$135,914	\$0	\$0	\$0	\$0	\$0
E. OTHER FEDERAL FUNDS										
		\$0	\$34,739	\$34,739	\$34,739	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$12,000	\$12,000	\$12,000	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13. Total Other Federal		\$0	\$46,739	\$46,739	\$46,739	\$0	\$0	\$0	\$0	\$0
F. TOTAL		\$742,689	\$9,266,936	\$10,009,625	\$9,532,281	\$477,344	\$0	\$0	\$0	\$477,344

I certify that the statement of receipts and expenditures for the period shown is true and correct to the best of my knowledge and belief; that the fund balance shown on this form has been reconciled with the related balances of the books of this program; that the funds expended have been used in accordance with the official plan and estimates of the local authorities approved by the Department of Public Welfare; with the regulations of the Department and further that local authorities understand that payments made to the program hereunder will be made in reliance by the Commonwealth upon the statements herein made.

12/19/11
Date

[Signature]
Authorized Signature

Sheila Theodorou
Printed Name

Administrator
Title

12/16/11
Date

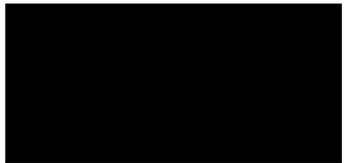
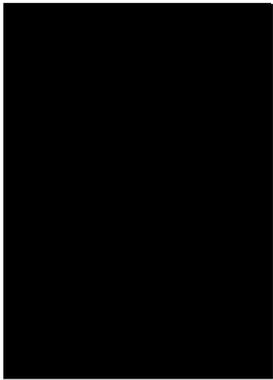
[Signature]
Authorized Signature

Kristin Peterson
Printed Name

CFA, CFO
Title

Commonwealth of Pennsylvania
DPW - Bureau of Financial Operations
County Mental Health Report of Income and Expenditures
MH18 PURCHASED SERVICES SCHEDULE
(Fee for Service and Program Funded)
Fiscal Year 2010 - 2011

Carbon/Monroe/Pike MH/MR/EI Program

Cost Center (1)	Provider (2)	Funding Method (3)	Service Type (4)	Rate (5)	Definition of Unit (6)	Number of Units (7)	Total Expenditures (8)	DPW Reimbursement/ County Matching Funds (9)	Adjustment (10)	Net Reimbursement/County Matching Funds (11)
		F		156.40	DY	8,412.35	1,315,692	1,218,026		\$1,218,026
		P		.00		.00	703,603	59,580		\$59,580
		F		112.93	DY	2,305.66	260,378	184,951		\$184,951
		F		153.90	DY	5,637.74	867,649	621,666		\$621,666
		F		60.42	DY	1,087.00	65,677	20,794		\$20,794
TOTAL : Housing Support Services							6,126,997	4,429,679	0	\$4,429,679
Intensive Case Management										
		F		1,770.04	OT	58.00	102,662	102,662		\$102,662
		F		12.50	QR	413.00	5,163	4,602		\$4,602
		F		12.45	QR	2,707.96	33,714	30,000		\$30,000
		F		1,675.00	OT	26.00	43,550	40,200		\$40,200
		F		12.45	QR	451.37	5,622	5,622	4,180	
TOTAL : Intensive Case Management							190,711	181,644	0	\$181,644
Other (Prior Approval Required)										
NONE										
TOTAL : Other (Prior Approval Required)							0	0	0	\$0
Outpatient Services										
		P		.00		.00	145,038	145,038		\$145,038
		F		37.50	QR	525.67	19,713	7,863		\$7,863
		F		13.75	QR	10,198.71	140,232	55,936		\$55,936
		F		6.25	QR	36,804.59	230,029	91,755		\$91,755
		F		18.75	QR	10,928.42	204,908	81,735		\$81,735
		F		15.00	QR	2,227.18	33,408	13,326		\$13,326
		F		21.00	QR	10.00	210	210		\$210
		F		20.00	QR	137.05	2,741	2,741		\$2,741
		F		13.00	QR	75.00	975	975		\$975
		F		65.00	QR	7.00	455	455		\$455
		F		39.00	QR	462.94	18,055	18,055		\$18,055
		F		26.00	QR	6.00	156	156		\$156

Commonwealth of Pennsylvania
DPW - Bureau of Financial Operations
County Mental Health Report of Income and Expenditures
MH18 PURCHASED SERVICES SCHEDULE
(Fee for Service and Program Funded)
Fiscal Year 2010 - 2011

Carbon/Monroe/Pike MH/MR/EI Program

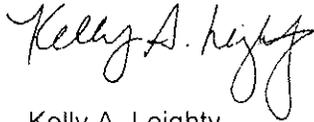
Cost Center (1)	Provider (2)	Funding Method (3)	Service Type (4)	Rate (5)	Definition of Unit (6)	Number of Units (7)	Total Expenditures (8)	DPW Reimbursement/ County Matching Funds (9)	Adjustment (10)	Net Reimbursement/County Matching Funds (11)
		F		75.00	QR	38.43	2,882	2,882		\$2,882
		F		.00	RC	.00	4,679	4,679		\$4,679
		F		517.20	OT	1,886.42	975,659	496,725		\$496,725
TOTAL : Outpatient Services							1,779,140	922,531	0	\$922,531
Psychiatric Inpatient Hospitalization										
		F		623.54	DY	112.00	69,836	69,836		\$69,836
TOTAL : Psychiatric Inpatient Hospitalization							69,836	69,836	0	\$69,836
Psychiatric Rehabilitation										
		P		.00		.00	145,470	80,000		\$80,000
		P		.00		.00	108,262	108,262		\$108,262
		F		4.50	QR	8,039.89	36,180	34,640		\$34,640
TOTAL : Psychiatric Rehabilitation							289,912	222,902	0	\$222,902
Resource Coordination										
NONE										
TOTAL : Resource Coordination							0	0	0	\$0
Social Rehabilitation Services										
		P		.00		.00	33,000	33,000		\$33,000
		P		.00		.00	29,185	29,185		\$29,185
		P		.00		.00	93,368	84,341		\$84,341
		P		.00		.00	3,370	3,344		\$3,344
		F		17.50	HR	192.00	3,360	3,360		\$3,360
		F		15.50	HR	692.50	10,734	10,734		\$10,734
		F		10.00	QR	1,008.00	10,080	9,860		\$9,860
TOTAL : Social Rehabilitation Services							183,117	173,824	0	\$173,824
GRAND TOTAL: Carbon/Monroe/Pike MH/MR/EI Program							\$10,293,630	\$7,547,317	\$0	\$7,547,317

The Honorable Wayne E. Nothstein

Page 2

If you disagree with the certification action taken with respect to your report, please refer to the appeal process for County Mental Health/Intellectual Disabilities/Early Intervention Income and Expenditure Reports as stated in Administrative Bulletin 2008-16, dated November 7, 2008. If you have any questions concerning this letter, please contact [REDACTED] Financial Reporting and Payments Section, at [REDACTED]

Sincerely,



Kelly A. Leighty
Director

Enclosure

- c: The Honorable John R. Moyer, Chairperson
Monroe County Commissioners
- The Honorable Richard A. Caridi, Chairman
Pike County Commissioners
- Ms. Sheila Theodorou, Administrator
- Ms. Kathleen Peterson, Fiscal Operations Officer

Commonwealth of Pennsylvania
 DPW - Bureau of Financial Operations
 County Mental Health Report of Income and Expenditures
 MH15 MENTAL HEALTH SERVICES
 Fiscal Year 2011 - 2012

Carbon/Monroe/Pike MH/ID/EI Program

DPW Funds Available

Sources of DPW Funding	App	CarryOver	Allotment	Total Allocation	Costs Eligible for DPW Participation	Balance of Funds	Grant Fund Adjustments	CSR State Grant Fund Adjustments	CSR - Promise Adjustments	Total Fund Balance
		(1)	(2)	(3)	(4)	(5)	(6A)	(6B)	(6C)	(7)
A. MH SERVICES		\$477,344	\$8,978,043	\$9,455,387	\$9,455,387	\$0	\$0	\$0	\$0	\$0
B. OTHER STATE FUNDS										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$243,950	\$243,950	\$243,950	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9. Total Other State		\$0	\$243,950	\$243,950	\$243,950	\$0	\$0	\$0	\$0	\$0
C. SSBG		\$0	\$3,274	\$3,274	\$3,274	\$0	\$0	\$0	\$0	\$0
D. CMHSBG		\$0	\$135,914	\$135,914	\$135,914	\$0	\$0	\$0	\$0	\$0
E. OTHER FEDERAL FUNDS										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13. Total Other Federal		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
F. TOTAL		\$477,344	\$9,361,181	\$9,838,525	\$9,838,525	\$0	\$0	\$0	\$0	\$0

I certify that the statement of receipts and expenditures for the period shown is true and correct to the best of my knowledge and belief; that the fund balance shown on this form has been reconciled with the related balances of the books of this program; that the funds expended have been used in accordance with the official plan and estimates of the local authorities approved by the Department of Public Welfare; with the regulations of the Department and further that local authorities understand that payments made to the program hereunder will be made in reliance by the Commonwealth upon the statements herein made.

10/22/2012
 Date

Sheila Theodore
 Authorized Signature

Sheila Theodore
 Printed Name

Administrative
 Title

10/22/2012
 Date

Kathleen Peterson
 Authorized Signature

Kathleen Peterson
 Printed Name

CFO
 Title

Commonwealth of Pennsylvania
DPW - Bureau of Financial Operations
County Mental Health Report of Income and Expenditures
MH18 PURCHASED SERVICES SCHEDULE
(Fee for Service and Program Funded)
Fiscal Year 2011 - 2012

Carbon/Monroe/Pike MH/ID/EI Program

Cost Center (1)	Provider (2)	Funding Method (3)	Service Type (4)	Rate (5)	Definition of Unit (6)	Number of Units (7)	Total Expenditures (8)	DPW Reimbursement/ County Matching Funds (9)	Adjustment (10)	Net Reimbursement/County Matching Funds (11)
		P		.00		.00	365,745	63,825		\$63,825
		F		175.92	DY	5,584.01	982,340	643,219		\$643,219
		F		60.42	DY	735.00	44,409	20,794		\$20,794
TOTAL : Housing Support Services							4,110,029	2,757,975	0	\$2,757,975

Intensive Case Management

		F		1,770.04	MO	59.00	104,432	104,006		\$104,006
		F		12.50	QR	862.32	10,779	10,000		\$10,000
		F		12.45	QR	2,357.73	29,354	28,551		\$28,551
		F		12.45	QR	309.96	3,859	3,649		\$3,649
		F		1,675.00	MO	64.00	107,200	101,857		\$101,857
		F		12.45	QR	103.00	1,282	500		\$500
TOTAL : Intensive Case Management							256,906	248,563	0	\$248,563

Other (Prior Approval Required)

NONE

TOTAL : Other (Prior Approval Required) 0 0 0 \$0

Outpatient Services

		P		.00		.00	145,038	145,038		\$145,038
		F		1,464.13	MO	265.63	388,917	334,103		\$334,103
		F		39.00	QR	759.79	29,632	26,142		\$26,142
		F		.00	RC	.00	6,754	6,754		\$6,754
		F		517.20	MO	8.52	4,405	4,405		\$4,405
		F		36.00	QR	5,188.15	186,773	160,191		\$160,191
		F		517.20	MO	594.05	307,244	208,336		\$208,336
TOTAL : Outpatient Services							1,068,763	884,969	0	\$884,969

Psychiatric Inpatient Hospitalization

		F		623.54	DY	192.18	119,832	119,204		\$119,204
		F		623.54	DY	266.00	165,862	165,862		\$165,862

September 5, 2012

Dr. Nathaniel J. Williams
President and CEO
HumanWorks Affiliates, Inc.

Dear Dr. Williams:

Please be advised that this letter serves to inform you that our program will no longer be in a position to provide base funds for the personal care home located at [REDACTED]. In effect, we are terminating our contract for this program within thirty days as stipulated by the agreement. Despite two years of effort working with the Office of Developmental Programs and the Department of Public Welfare, we have been unable to develop a solution to provide funding for [REDACTED].

I understand this decision may have severe negative impacts for the people who are served in this program. I am also well aware that a number of the individuals who reside there have been there for many, many years and have benefited greatly. This program was developed through a collaborative project between your agency and our MH/DS staff some fifteen years ago. Throughout the years, many officials from the Department of Public Welfare and the Office of Personal Care Licensing have visited the site; and the site has received very positive reviews. The folks who reside there have expressed a great deal of satisfaction and have certainly demonstrated positive outcomes. In addition, and as we have articulated to ODP, the program has been and remains very cost-effective, especially in light of the persons served and their long history of mental illness.

Despite all this, due to frequent changes in regulatory status implemented by the Office of Developmental Programs in the last few years, it would appear that the county is now in a situation where it is impossible for us to fund this going forward. First of all, the funds are no longer available to us because of the reduction in our ID/MH FY 2012-13 budget. Secondly, we understand from lengthy discussions with [REDACTED] at the Regional Office of Developmental Programs that the program itself, given the current licensing status, cannot be funded utilizing the previous funding parameters.

Dr. Nathaniel J. Williams
September 5, 2012
Page 2

Additionally, seeking alternative licensing methods appears incompatible with existing funding regulations.

I understand, given this correspondence, that your organization may have no choice but to provide the individuals who live in this home with a notice to vacate. Please let us know as soon as possible your intentions so we can prepare to seek alternative housing for these individuals.

Yours truly,

Sheila Theodorou
Administrator

c: Deputy Secretary Kevin Friel, ODP
Robert Conklin, Regional Manager, ODP
Michele O'Toole, Regional ODP
Jacqueline Beilharz, DRN
Representative Doyle Heffley, Carbon County
Commissioner Wayne Nothstein, Carbon County
Fred Beltz, Deputy DS Administrator, C-M-P
Tina Clymer, Deputy MH Administrator, C-M-P

A. ODP Correspondence dated December 22, 2006
(3 pages)



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
P.O. BOX 2675
HARRISBURG, PENNSYLVANIA 17105-2675

KEVIN T. CASEY
Deputy Secretary for Mental Retardation

DEC 22 2006

TELEPHONE NUMBER: [REDACTED]
FAX: [REDACTED]

RE: Personal Care Home Residents

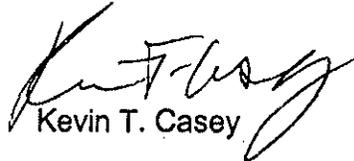
Dear MH/MR Administrator:

As you are aware, the Office of Mental Retardation (OMR) has been working closely with the Centers for Medicare and Medicaid Services (CMS) over the past several months to negotiate the terms of the renewal of the Consolidated Waiver. It is anticipated that the final terms of the Waiver will be approved by CMS with an effective date of December 23, 2006. These new terms involve the exclusion of people residing in licensed Personal Care Homes as eligible participants in the Consolidated Waiver. As a result of this change, waiver participants in licensed Personal Care Homes will be terminated from the Consolidated Waiver effective close of business December 22, 2006 and will be enrolled into the Person/Family Directed Support (P/FDS) Waiver effective December 23, 2006. OMR recognizes that current waiver services to affected participants may be over the P/FDS per person financial cap, but expects that counties will utilize other resources to ensure continuity of services. Counties experiencing difficulty with this direction should contact their OMR Regional Office to discuss possible solutions.

Attached are two standard letters that OMR has developed for you to use in notifying waiver participants who will be affected by this change. Also attached is a three-page section of MR Bulletin No. 00-00-09 titled *Service Preference in Medicaid Waivers for Individuals with Mental Retardation*. OMR requires that you send these letters within three business days of your receipt of this notice and that both letters are sent to the affected waiver participants at the same time.

Please complete the necessary steps to move all persons affected by this change from the Consolidated Waiver into the P/FDS Waiver and inform your Supports Coordinators to contact each person affected by the change as soon as possible to discuss their participation in the P/FDS Waiver.

Sincerely,



Kevin T. Casey

Attachments

Date:

RE: Termination from the Consolidated Waiver

Dear

This is to provide you notice that your enrollment in the Consolidated Waiver will be terminated effective close of business on December 22, 2006. The termination of your enrollment is a result of a change in Pennsylvania's Consolidated Waiver as approved by the Centers for Medicare and Medicaid Services (CMS). The approved Waiver now excludes individuals who reside in licensed personal care homes as an eligible participant for enrollment in the Consolidated Waiver. As you are a resident of a licensed personal care home, you are no longer eligible for Consolidated Waiver services.

Because your termination from the Consolidated Waiver is a direct result of a change in the waiver conditions approved by CMS, you do not have the right to a Department of Public Welfare (DPW) Fair Hearing regarding the termination of your waiver enrollment. See the attached section of MR Bulletin No. 00-00-09 titled *Service Preference in Medicaid Waivers for Individuals with Mental Retardation, §M - Hearings and Appeals*. See the **boxed** paragraph on page two of the bulletin section which is attached. This section explains that the fair hearings and appeals process does not apply to program changes such as this.

Your Supports Coordinator will contact you immediately to discuss potential services available to you under the Person/Family Directed Supports Waiver, which does not exclude individuals who reside in licensed personal care homes.

Sincerely,

Attachment

Date:

RE: Acceptance to the Person/Family Directed Supports Waiver

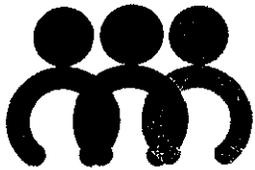
Dear

This is to provide you with notification of your acceptance and to welcome you into the Person/Family Directed Supports (P/FDS) Waiver effective December 23, 2006. Your enrollment in the P/FDS Waiver is a result of a change in Pennsylvania's Consolidated Waiver as approved by the Centers for Medicare and Medicaid Services (CMS). The approved Waiver now excludes individuals who reside in licensed personal care homes as an eligible participant for enrollment in the Consolidated Waiver. As you are a resident of a licensed personal care home, you are no longer eligible for Consolidated Waiver services. A result of this change is that you have automatically been enrolled into the P/FDS Waiver.

The Office of Mental Retardation remains committed to the delivery of services to people enrolled in Pennsylvania's Mental Retardation Programs. Your Supports Coordinator will be contacting you in the near future with information and details of your enrollment and participation in the P/FDS Waiver. Please feel free to contact him/her if you have immediate questions.

Sincerely,

B. CMP Correspondence dated January 8, 2007
(1 page)



Carbon-Monroe-Pike Mental Health/Mental Retardation Program

Sheila Theodorou, Administrator

January 8, 2007

The Honorable Kevin T. Casey
Deputy Secretary for Mental Retardation

Dear Mr. Casey: *Kevin*

Thank you for your prompt response to my inquiry on January 3, 2007, regarding the status of individuals we have enrolled in the [REDACTED] Consolidated Waiver who reside in personal care homes.

As you know from our discussion, we have six people who live in personal care homes whose living arrangements will be significantly impacted by the decision to preclude personal care homes from serving individuals enrolled in the [REDACTED] Waiver. Several of the individuals have been served by the same provider for over twenty years. As discussed, the alternative of enrolling these people in the Person/Family Directed Support Waiver will not result in a positive outcome due to the fact that there would be insufficient funds in the P/FDS cap to support their needs.

I very much appreciate your assurances that we will work through the process with these consumers and their families. We will be submitting to the Regional Office, as per your direction, IES Forms depicting these folks and their circumstances and needs. Additionally, we will work with the provider agencies to transition some individuals to appropriate settings that can utilize the Consolidated Waiver funds.

Thank you again for recognizing the unique needs of these consumers and your positive intervention with our request.

Yours truly,


Sheila Theodorou
Administrator

c: [REDACTED]

An Equal Opportunity, Affirmative Action Employer

C. CMP Rebudget Correspondence dated February 2007
(4 pages)

From:
To:
Date:
Subject:



The following three individuals reside in 10+ person PCBH and receive consolidated waiver supports outside of the facility. We request conversion of their funding and waiver slots from Consolidated waiver to PFDS waiver:

- \$11,725
- \$10,264
- \$8798

The following two individuals reside in an 8 person PCBH and receive 24 hr support. We request conversion of their consolidated waiver funds and slots to PFDS waiver. Because of their funding levels additional state "Base" funds are requested to maintain their supports:

- Current Funding is \$34062. Request PFDS \$22085 and State Base \$11977
- Current Funding is \$34599. Request PFDS\$22085 and State Base \$12514

The following five individuals reside in a 10+person PCBH. All individuals listed below will be transitioned in licensed community settings by June 1,2007. Additional consolidated waiver funds are being requested and are indicated with the respective individual:

- will move into a 4 person community home. No additional funds requested.
- will move into a 4 person community home. Her current funding is \$47,883. The county requests \$37,789 Eligible and \$6100 Ineligible Consolidated Waiver funds.

The following three individuals will Transition into a Life Sharing Family Living setting. The county requests \$6000 Eligible Consolidated Waiver funds per person to attain this outcome:

NOTE: The information in this e mail is confidential and is intended solely for the addressee. Access to this e mail by anyone else is unauthorized. If you are not the intended recipient , any disclosure, copying, distribution, or any action taken or omitted to be taken in reliance on it, is prohibited.

CC:



Fred Beltz

From:
Sent:
To:
Cc:
Subject:

Re: status

Sheila Theodorou
Administrator /CEO
Carbon Monroe Pike County
Mental Health /Mental Retardation Program

NOTE: The information in this e mail is confidential and is intended solely for the addressee. Access to this e mail by anyone else is unauthorized. If you are not the intended recipient , any disclosure, copying, distribution, or any action taken or omitted to be taken in reliance on it, is prohibited.

>>> [REDACTED] >>>
In a phone conversation between [REDACTED] following the December 23rd ,2006 "CMS PCBH ruling" letter [REDACTED] advised CMP to make no changes that would affect the status of her living arrangement or her health and safety.

In April,2007 [REDACTED] only remaining family member was contacted,advised of the CMS ruling and the resulting limitations to the type of residential settings that waiver funding would support.

Between April and October [REDACTED] pursued development of Life Sharing. There were no available community home vacancies.

Late June,2007 the NE Region ODP advised CMP they must discontinue consolidated waiver funding for [REDACTED] supports and agreed to allow CMP to fund her continuing care with PFDS funds.

October 26,2007 CMP requests ongoing BASE funding to continue to support [REDACTED] in her home of 20 plus years,the Stewart House PCBH.

A consent to terminate waiver services was signed 10/22/07

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2007-2008 COUNTY REBUDGET REQUEST

COUNTY: Carbon-Monroe-Pike MH/MR

Submission date: 10/26/2007 Rev 11/05/2007

FFP Rate

FY 07-08 STRAIGHT RATE OF 54.08% FEDERAL, 45.92% STATE FOR THE UNSERVED

FY 08-09 FULL YEAR, BLENDED RATE OF 53.9900% FEDERAL, 46.0100% STATE FOR THE UNSERVED

FY 07-08 BLENDED RATE OF 54.1575% FEDERAL, 45.8425% STATE FOR THE UNDERSERVED

FY 08-09 FULL YEAR, BLENDED RATE OF 53.9900% FEDERAL, 46.0100% STATE FOR THE UNDERSERVED

Request 1	2007-2008	2008-2009 (annualized)
	Dec MWE Fed (37,185)	Dec MWE Fed (37,070)
	Dec MWE State (31,476)	Dec MWE State (31,591)
	Inc PFDS MWE Fed 24,398	Inc PFDS MWE Fed 24,322
	Inc PFDS MWE State 20,652	Inc PFDS MWE State 20,728
	Inc State Base 23,611	Inc State Base 23,611
Other (Specified in Narrative)		
Total	\$ -	\$ -

County Narrative:

NOTE: This was included on CMP's Fiscal Year 2006-07 year-end rebudget request and advised by ODP NE Region to include on this rebudget form. Convert \$68,661 of [redacted] funding into PFDS MW funding. This conversion/request for additional base funds (\$23,611) is nec'y to continue with the current level of services for 2 individuals who reside in a PCBH and had been in the 2176 waiver as of 12/23/2006.

Regional Narrative:

Approved: Yes

No

OMR Fiscal Narrative:

Approved: Yes

No

OMR Bureau Approval Narrative

Approved: Yes

No

Request 2	2007-2008	2008-2009 (annualized)
	Inc 07-08 PY EPSDT Elig Fed 65,726	Inc 07-08 FY EPSDT Elig Fed 107,737
	Inc 07-08 PY EPSDT Elig State 55,809	Inc 07-08 FY EPSDT Elig State 91,813
Allocation Increase Request		
Total	\$ 121,535	\$ 199,550

County Narrative:

To Request one slot and associated monies for an individual transferring in from Montgomery County effective 1/1/2008.

Regional Narrative: Approved: Yes No

OMR Fiscal Narrative: Approved: Yes No

OMR Bureau Approval Narrative Approved: Yes No

Request 13	2007-2008	2008-2009 (annualized)
	Dec 2176 Maint Elig Fed (33,830)	Dec 2176 Main Elig Fed (33,725)
	Dec 2176 Maint Elig State (28,635)	Dec 2176 Main Elig State (28,740)
	Inc PFDS Maint Elig Fed 11,200	Inc State Base 29,741
	Inc PFDS Maint Elig State 9,480	Inc PFDS Elig Fed 12,161
	Inc State Base 31,586	Inc PFDS Elig State 10,364
Allocation Decrease Request		
Total	\$ (10,199)	\$ (10,199)

County Narrative:

Step 1. FY 2007-08: Decrease [redacted] slots by one. PCBH resident [redacted] is unable to relocate to a residential setting eligible for [redacted] waiver funds. The funding amount converted reflects costs associated with services provided 7/1/2007 - 10/31/2007. Step 2. FY 2007-08: The funding amount converted reflects costs associated with services from 11/1/2007 - 6/30/08. FY 2008-09: The requested conversion of funding is annualized to continue supports for PCBH resident JY.

Regional Narrative: Approved: Yes No

OMR Fiscal Narrative: Approved: Yes No

OMR Bureau Approval Narrative Approved: Yes No

D. ODP Correspondence dated early 2008
(2 pages)



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
P.O. BOX 2675
HARRISBURG, PENNSYLVANIA 17105-2675

KEVIN T. CASEY
Deputy Secretary
Office of Developmental Programs

TELEPHONE NUMBER: (717) 787-3700
FAX: (717) 787-6583

Dear Administrative Entity:

As you know, in December 2006 several individuals were transitioned from the Department of Public Welfare's (DPW) Consolidated Waiver to the Person/Family Directed Support (P/FDS) Waiver. The transition occurred because personal care home residents are ineligible for services in DPW's federally approved Consolidated Waiver effective December 23, 2006. In order to ensure no disruption in services, the Office of Developmental Programs (ODP), in conjunction with your office, worked with the affected individuals to continue services under the P/FDS Waiver, supplemented by base funding as needed to maintain existing service levels.

ODP is committed to ensuring that the individuals who transitioned from the Consolidated Waiver to the P/FDS Waiver are continuing to receive services that meet their current needs and that their anticipated future needs may be met within the P/FDS Waiver. In addition, ODP wants to determine whether any individual desires to move from a personal care home to another setting that can meet their needs. To this end, we are requesting that a meeting occur with each transitioned individual.

The meeting will be scheduled by each individual's Supports Coordinator and must include the individual's authorized representative, if the individual has one and the representative chooses to participate, along with a community advocate from the Disability Rights Network (DRN). A template of the letter to the authorized representative regarding this process is enclosed. Also enclosed is a current list of DRN community advocates.

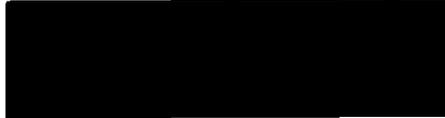
The Supports Coordinator will be responsible for sending the enclosed letter to the authorized representative and coordinating the time and place of the meeting with all attendees, taking into account the schedules of the attendees. Instructions to the Supports Coordinators, along with a series of questions, are enclosed. The questions are intended to help frame the meeting content and should be used as guidance in conducting the meeting and in discussing the individual's current and future needs and personal goals. To the extent possible, the Supports Coordinator will arrive at the meeting prepared to present alternative living options in the event the individual elects the option to move from the personal care home. Such alternatives may include existing options or, if options that the individual chooses are not currently available, alternatives that are similar to those chosen by the individual. If the individual's current or future needs cannot be met in the P/FDS waiver, or the individual chooses to move from the personal care home, the individual will return to the Consolidated Waiver.

Administrative Entity

-2-

Please schedule these meetings so that they are completed by June 30, 2008. In the near future we will forward additional instructions and a template report to be completed by the Supports Coordinators to reflect the discussion and outcome of every meeting. Please forward completed reports on a biweekly basis to:

Office of Developmental Programs
Division of Program Management



If you have any questions, please contact your ODP Regional Program Manager. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin T. Casey".

Kevin T. Casey

Enclosures (4)

E. CMP Correspondence to ODP dated March 2012
(3 pages)



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
P.O. BOX 2675
HARRISBURG, PENNSYLVANIA 17105-2675

KEVIN T. CASEY
Deputy Secretary
Office of Developmental Programs

TELEPHONE NUMBER: (717) 787-3700
FAX: (717) 787-6583

Dear Administrative Entity:

As you know, in December 2006 several individuals were transitioned from the Department of Public Welfare's (DPW) Consolidated Waiver to the Person/Family Directed Support (P/FDS) Waiver. The transition occurred because personal care home residents are ineligible for services in DPW's federally approved Consolidated Waiver effective December 23, 2006. In order to ensure no disruption in services, the Office of Developmental Programs (ODP), in conjunction with your office, worked with the affected individuals to continue services under the P/FDS Waiver, supplemented by base funding as needed to maintain existing service levels.

ODP is committed to ensuring that the individuals who transitioned from the Consolidated Waiver to the P/FDS Waiver are continuing to receive services that meet their current needs and that their anticipated future needs may be met within the P/FDS Waiver. In addition, ODP wants to determine whether any individual desires to move from a personal care home to another setting that can meet their needs. To this end, we are requesting that a meeting occur with each transitioned individual.

The meeting will be scheduled by each individual's Supports Coordinator and must include the individual's authorized representative, if the individual has one and the representative chooses to participate, along with a community advocate from the Disability Rights Network (DRN). A template of the letter to the authorized representative regarding this process is enclosed. Also enclosed is a current list of DRN community advocates.

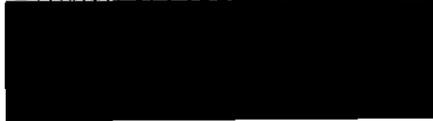
The Supports Coordinator will be responsible for sending the enclosed letter to the authorized representative and coordinating the time and place of the meeting with all attendees, taking into account the schedules of the attendees. Instructions to the Supports Coordinators, along with a series of questions, are enclosed. The questions are intended to help frame the meeting content and should be used as guidance in conducting the meeting and in discussing the individual's current and future needs and personal goals. To the extent possible, the Supports Coordinator will arrive at the meeting prepared to present alternative living options in the event the individual elects the option to move from the personal care home. Such alternatives may include existing options or, if options that the individual chooses are not currently available, alternatives that are similar to those chosen by the individual. If the individual's current or future needs cannot be met in the P/FDS waiver, or the individual chooses to move from the personal care home, the individual will return to the Consolidated Waiver.

Administrative Entity

-2-

Please schedule these meetings so that they are completed by June 30, 2008. In the near future we will forward additional instructions and a template report to be completed by the Supports Coordinators to reflect the discussion and outcome of every meeting. Please forward completed reports on a biweekly basis to:

Office of Developmental Programs
Division of Program Management



If you have any questions, please contact your ODP Regional Program Manager. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin T. Casey".

Kevin T. Casey

Enclosures (4)

[REDACTED]

From:
Sent:
To:
Subject:
Attachments:

[REDACTED]
Deputy Announcement final.pdf..pdf

This matches our recollection and is consistent with what was approved in other Counties. Supports were provided through the P/FDS waiver and supplemented as needed with base funds (for services that were not eligible for waiver funding or if funding needed to exceed the P/FDS cap). Give me a call when you can, we need to discuss next steps.

[REDACTED]
Northeast Regional Program Manager
Department of Public Welfare
Office of Developmental Programs

[REDACTED]

Subject: Re PCBH PFDS/BASE

I know you are in denial but here you go. First paragraph sums it up.
This was 1 of 6 attachments to an email that Michele sent us back in the day.....

F. CMP Correspondence to ODP dated April 2012
(3 pages)

[REDACTED]

From: [REDACTED]
Sent: [REDACTED]
To: [REDACTED]
Subject: [REDACTED]
Attachments: Rebudget Letter 4-30-2012.pdf

Importance: High

Hi [REDACTED]

Do you have this printed yet?

[REDACTED]

Subject: CMP FY 2011-12 Rebudget

Dear [REDACTED]

Attached you will find our cover letter and re-budget form for fiscal year 2011-12. The original is in the mail.

If you have any questions, please feel free to contact [REDACTED]
[REDACTED]

Thank you,

[REDACTED]

Our name has changed to:
Carbon-Monroe-Pike Mental Health and Developmental Services



Carbon-Monroe-Pike Mental Health/Mental Retardation Program

Sheila Theodorou, Administrator

April 30, 2012



RE: C-M-P FY 2011-12 Rebudget

Please find enclosed Carbon-Monroe-Pike (C-M-P) Mental Health and Developmental Services rebudget form for Fiscal Year 2011-12.

Please note the following adjustments:

- 1) Requesting \$12,830 in Employee Pilot Program base dollars to fund services authorized in HCSIS over our current allocation of \$39,990. The one-time adjustment would be retroactive to January 1, 2012.
- 2) Requesting twelve month Maintenance base dollars for individuals residing in two personal care homes. They are currently funded with PFDS dollars. Adjustment would be retroactive to July 1, 2011 in the amount of \$90,627. NOTE: these dollars need to be annualized into FY 2012-13. Please consider this when approving our request.

Although not requested, I felt compelled to illustrate C-M-P's Waiver Capacity Increase Request. It summarizes our Graduates (30) and Specialized Requests (19) by Category.

Thank you for the opportunity to request additional funds necessary to finish out the fiscal year. The mid-year budget freeze amounting to 6.8% made for a significant hole in our operating budget. Please call me at 570-420-1900, extension 3423 for any comments you have concerning our rebudget request.

Sincerely,

Fred Beltz
Deputy Administrator, Developmental Services

Enclosure

cc: S. Theodorou
K. Peterson
D. Heffley
K. Friel

Carbon County
428 South 7th Street
Suite 2
Lehighton, PA 18235-1824
610-377-0773
Fax 610-377-5003

Monroe County
730-A Phillips Street
Stroudsburg, PA 18360-2239
570-421-2901
Fax 570-424-7753 (MH)
Fax 570-421-6849 (MR)

Early Intervention
411 Main Street
Suite 100-B
Stroudsburg, PA 18360-2477
570-420-1900
Fax 570-517-2278

Pike County
10 Buist Road
Suite 404
Millford, PA 18337-9311
570-296-6484
Fax 570-296-6344

**ODP
FY 2011-2012
REBUDGET**

2011-2012 RE-BUDGET DATA COLLECTION FORM

COUNTY:	<u>Total State</u>	<u>Total Federal MA</u>
	<u>Reduction</u>	<u>Reduction</u>
Carbon/Monroe/Pike	-\$117,407	-\$15,360

CATEGORIES

COMMUNITY BASE SERV.	Reason for adjustment (required)	State	
MAINTENANCE	Convert PFDS PCH funded indiv into base.	90,627	
EMPLOYEE PILOT PROGRAM	Fund auth'd pilot services.	12,830	
SSBG			
100% SSBG			
FSS & FAMILY DRIVEN			
SUPPORTS COORDINATION			
HCQU*		103,457	

ADMIN	STATE 50%	FED. 50%
TSM ADMIN. STATE		
WAIVER ADMINISTRATION		
IMT (IM4Q)*		
HCQU*		

TOTALS

103,457

Please Initial
when complete

AMB

* To be used ONLY if funds are available after required surveys are complete
NOT by reducing the contract.

G. Various Correspondence dated June, July, August and September 2012
(7 pages)

[REDACTED]

From:
Sent:
To:
Cc:
Subject:

[REDACTED]

First, thank you for supporting the Re-budget request that provided the funds to make adjustments to the PCBH contracts that are troubling us.

I also want to update you on our conversations with the affected providers.

[REDACTED] Our plan is to transition the 3 MH consumers living there to appropriate housing and have the 5 remaining ID consumers remain in their home. To achieve this we would like to request 5 consolidated waiver slots for FY '12-'13.

I expect we could achieve the overall conversion to a 5 person Licensed Community home within 90 days. [REDACTED] supports this plan.

[REDACTED] While there is only 1 individual affected it could be the most difficult because of the level of supervision needed. Probably 2:1 for most hours. Initial discussions have ruled out Life Sharing. We would need an additional consolidated waiver slot to achieve this conversion.

It might be beneficial for [REDACTED] to have TA session with you and perhaps [REDACTED] to determine the best way to facilitate this.

I look forward to your thoughts.

[REDACTED]

From:
Sent:
To:
Cc:
Subject:

[REDACTED]

We're fully aware of what we have to do and what we can't do. It was important to be on record that we asked for the slots. [REDACTED] failed to address with us what we had to do and kept telling us what we had to stop. [REDACTED] is aware that they cannot bill waiver – we had that discussion. We also discussed how they had to fix FY 11-12 but that had to wait till we got the money in rebudget. It shouldn't be a problem writing up narratives for these folks. We would have had to do this if they closed the doors on the manor. We can think this through more today.

[REDACTED]

[REDACTED] called this afternoon about [REDACTED]. They ODP is going to be hard pressed to give us the 5 group home slots associated with this without a full court press on our part. As you know they will NOT FUND this with waiver as it is currently appropriated, view it as FWA etc. We have no base. We need descriptions of the five consumers served with a chapter about why they need community home as opposed to personal care bla bla bla. I want to have a conf call with Monday at 2:30 to get the ball rolling. [REDACTED] needs to stop billing the waiver for this ASAP if they have not already. I see you have EI numbers on your schedule, please move this around. Welcome back!

Sheila Theodorou
Administrator
Carbon-Monroe-Pike Mental Health and
Developmental Services

[REDACTED]

From:
Sent:
To:
Cc:
Subject:
Attachments:

Attached you will find the needs summaries of the people we need waiver slots for, including there are 6. As you know this situation has been created by a series of changes over the last 5 years in funding parameters and regulations associated with PCBH. Our DS base funding situation is poor after the 9.2 reduction in the ID base included in the budget. We will lose approximately \$367,000, ID only the MH reduction is 1 mil. To address this we are implementing a multi-tiered plan. The plan includes, office space consolidation, virtual office model implementation, incentive for voluntary separation, internal lay off, provider contract reductions and the elimination of FD/FSS. I will not get into the MH service reduction in this e-mail, but it is significant. I would appreciate this being held confidential since our plan will unfold over the next 6 to 9 months. In addition to this we received a 53 cent per unit SC rate reduction. All of that being said, we have no base funds, and in fact a deficit on the books which we will address. The funds needed to support these individuals through the are \$201,059 or \$40,212 per person and for at is \$64,796. I appreciate your support with this matter and know you understand that it needs to be resolved quickly since the new FY has begun.

Sheila Theodorou
Administrator
Carbon-Monroe-Pike Mental Health and
Developmental Services

[REDACTED]

From:
Sent:
To:
Cc:
Subject:

[REDACTED]
FW:

Hello [REDACTED]

I have forwarded the e-mail statement [REDACTED] wrote regarding his conversation with ODP below.

Also, I have summarized and commented on the Issues from our conversation below:

1. ISPs: Most people that live in a PCBH have a PCH administrator, not a program specialist. The administrators have NOT been trained or are given any information on ISP's which are developed for all IDD consumers. Since the PCH plan and the ISP are two totally different documents, the ISP's apparently have been basically ignored for they are not required for licensing. Further, the PCBH administrator is NOT required to have the same credentials as a program specialist. Many administrators were grandfathered in as high school graduates. Our current administrator has not yet obtained the skills necessary to be a program specialist.
2. The ISP's have not been updated accurately and often contradict themselves throughout. The Habilitation is still attached although these documents were said to be updated in the last couple weeks. In another example, [REDACTED] is currently on a diabetic diet (maximum of 295 carbs p/day), but meals/eating section says she 's on a regular diet. There are many inaccuracies that have been viewed by ODP on HCSIS. Currently, we are doing a management review of the ISPs and forward any corrections .
3. Individuals at [REDACTED] have a SC which is not the usual for PCBH individuals.
4. IDD individuals require community integration activities and one of the most important quality indicator of their lives; however, due to the requirement of having two staff in the van for over six people, these activities are limited to times when two or three staff are available. PCBH's are more likely to focus on their daily life inside the home than outside.
5. The 30 hours per week of support per all occupants at a site is how ODP determines the need for licensed vs. unlicensed residential habilitation; therefore, the PCBH set up is really not appropriate for the individuals living at the Manor for they require much more than 30 hours per week of direct care collectively. My calculations suggest providing medications (14 hours), preparing specialized meals (14 hours), and working on outcomes(7 hours) alone requires over 30 hours per week. This does not include all other areas of care. These needs are currently met by the PCH administrator and one PT staff which average an additional 40 to 60 hours per week of staffing above the 1:8 required ratio.
 - a. Reference: 55 PA Code Chapter 6400.3f (7). *Licensing Exemptions: Residential homes for three or fewer people with mental retardation who are 18 years of age or older and who need a yearly average of 30 hours or less direct staff contact per week per home. (otherwise it must be licensed under ODP because of the direct care and because five individuals with MR live together there.)*
6. Individuals living there that do not have IDD, must be uprooted and they do not want to go.
7. CMP prefers if Spectrum Manor remains a PCBH and support it with base dollars.

Is there any point I missed?
Let me know your thoughts,
Thanks,

[REDACTED]

From:
Sent:
To:
Cc:
Subject:

[REDACTED]

[REDACTED]

Thanks for your hard work on this issue. I hope we can resolve this in a way that achieves the outcomes needed for the consumers in question. Internally we met and in accordance with the Commissioners direction, we will be sending a notice to [REDACTED] on 9/4/12 providing them notice of our inability to continue to fund the program. It will then be up to them to decide if they can continue to operate. All that said, I hope that we will not be in a position to provide that notice.

Thanks again!

[REDACTED]

Sheila Theodorou
Administrator
Carbon-Monroe-Pike Mental Health and
Developmental Services

[REDACTED]

September 5, 2012

Dr. Nathaniel J. Williams
President and CEO
HumanWorks Affiliates, Inc.

Dear Dr. Williams:

Please be advised that this letter serves to inform you that our program will no longer be in a position to provide base funds for the personal care home located at [REDACTED]

[REDACTED] In effect, we are terminating our contract for this program within thirty days as stipulated by the agreement. Despite two years of effort working with the Office of Developmental Programs and the Department of Public Welfare, we have been unable to develop a solution to provide funding for [REDACTED]

I understand this decision may have severe negative impacts for the people who are served in this program. I am also well aware that a number of the individuals who reside there have been there for many, many years and have benefited greatly. This program was developed through a collaborative project between your agency and our MH/DS staff some fifteen years ago. Throughout the years, many officials from the Department of Public Welfare and the Office of Personal Care Licensing have visited the site; and the site has received very positive reviews. The folks who reside there have expressed a great deal of satisfaction and have certainly demonstrated positive outcomes. In addition, and as we have articulated to ODP, the program has been and remains very cost-effective, especially in light of the persons served and their long history of mental illness.

Despite all this, due to frequent changes in regulatory status implemented by the Office of Developmental Programs in the last few years, it would appear that the county is now in a situation where it is impossible for us to fund this going forward. First of all, the funds are no longer available to us because of the reduction in our ID/MH FY 2012-13 budget. Secondly, we understand from lengthy discussions with [REDACTED] at the Regional Office of Developmental Programs that the program itself, given the current licensing status, cannot be funded utilizing the previous funding parameters.

Dr. Nathaniel J. Williams
September 5, 2012
Page 2

Additionally, seeking alternative licensing methods appears incompatible with existing funding regulations.

I understand, given this correspondence, that your organization may have no choice but to provide the individuals who live in this home with a notice to vacate. Please let us know as soon as possible your intentions so we can prepare to seek alternative housing for these individuals.

Yours truly,

Sheila Theodorou
Administrator

c: Deputy Secretary Kevin Friel, ODP
Robert Conklin, Regional Manager, ODP
Michele O'Toole, Regional ODP
Jacqueline Beilharz, DRN
Representative Doyle Heffley, Carbon County
Commissioner Wayne Nothstein, Carbon County
Fred Beltz, Deputy DS Administrator, C-M-P
Tina Clymer, Deputy MH Administrator, C-M-P

H. CMP Correspondence to [REDACTED] dated February 2013
(1 page)

February 28, 2013

Ms. Mary Seeley
Executive Director

Dear Mary:

I am writing to raise concern regarding the funding situation for [REDACTED]. As you know, [REDACTED] is currently considered to be living in a licensed personal care boarding home facility.

We have been informed by the Department of Public Welfare that they are unable to provide waiver funds for this type of program, and they have also informed us that the use of base funds is questionable under these circumstances. [REDACTED] and our staff have been working with your staff for several months in order to resolve this situation.

We would like to ensure that some resolution occurs by April 1, 2013, as we will be unable to continue funding as it currently stands. We certainly value the work that is being done by [REDACTED] and understand the complexity of the situation. However, achieving some resolution to this is essential. [REDACTED] and his staff will be happy to assist in any way they can.

Thank you very much for your time and assistance.

Yours truly,

Sheila Theodorou
Administrator

c: F. Beltz
K. Peterson

Prep by
CMP

	RESID 136 BASE - PCH	RESID 236 BASE - PCH		TOTALS
CONTRACT CEILING	79,210.00	139,774.00		218,984.00
<u>CMP</u>				
GROSS FFS PER CMP	76,575.84	151,022.10	-	227,597.94
OFFSET REVENUE	(15,799.54)	(23,801.48)		(39,601.02)
PROVIDER FUNDED NET PAID	60,776.30	127,220.62	-	187,996.92
(OVER)/UNDER CONTRACT	18,433.70	12,553.38	-	30,987.08
<u>PROVIDER</u>				
GROSS FFS PER PROVIDER	81,741.42	183,597.40		265,338.82
OFFSET REVENUE	(16,437.85)	(43,882.33)		(60,320.18)
PROVIDER FUNDED NET PAID	65,303.57	139,715.07	-	205,018.64
DIFF PROVIDER TO MH/DS	(4,527.27)	(12,494.45)	-	(17,021.72)
<u>ACTUAL EXPENSES -PROVIDER</u>				
EXPENSES	82,720.81	145,979.31		228,700.12
OFFSET REVENUES	(16,437.85)	(43,882.33)		(60,320.18)
NET EXPENSES	66,282.96	102,096.98	-	168,379.94
AMOUNT PAID	60,776.30	127,220.62	-	187,996.92
UNDER (OVER) PAID	5,506.66	(25,123.64)	-	(19,616.98)

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Year End Income Statement
For The 12 Periods Ended 6/30/2013

Prep by
SSS

		Year to Date	% of Revenue
Revenue			
[REDACTED]	[REDACTED]	139,715.07	52.66
		65,303.57	24.61
		46,383.55	17.48
		13,936.63	5.25
	Total Revenue:	265,338.82	100.00
	Gross Profit:	265,338.82	100.00
Expenses			
Administrative Expenses			
[REDACTED]	[REDACTED]	9,197.77	3.47
		1,438.21	0.54
		869.75	0.33
		65.04	0.02
		381.46	0.14
		31.65	0.01
		45.79	0.02
		83.96	0.03
		10.64	0.00
		224.40	0.08
		11.68	0.00
		215.61	0.08
		104.49	0.04
		962.55	0.36
		112.14	0.04
		271.62	0.10
		256.53	0.10
		136.79	0.05
		1,719.95	0.65
		13.00	0.00
		389.72	0.15
	Total Administrative Expenses:	16,542.75	6.23
Program Expenses, Eligible			
[REDACTED]	[REDACTED]	99,240.00	37.40
		27,954.29	10.54
		12,415.89	4.68
		12,523.03	4.72
		7,557.97	2.85
		338.81	0.13
		92.01	0.03
		904.51	0.34
		132.13	0.05
		554.95	0.21
		543.21	0.20
		759.25	0.29
		428.70	0.16
		10.26	0.00
		3,106.01	1.17
		1,403.82	0.53
		877.53	0.33
		3,099.50	1.17
	Total Program Expenses, Eligible:	171,941.87	64.80

Run Date: 12/5/2013 9:14:16AM

G/L Date: [REDACTED]

Page: 1

User Logon: DS

Year End Income Statement
 For The 12 Periods Ended 6/30/2013

		Year to Date	% of Revenue
		11,360.08	4.28
		6,400.59	2.41
		1,112.38	0.42
		1,244.72	0.47
		1,709.42	0.64
		3,328.24	1.25
		15,061.07	5.68
	Total Program Expenses, Ineligible:	<u>40,216.50</u>	<u>15.16</u>
	Total Expenses:	<u>228,701.12</u>	<u>86.19</u>
	Net Income from Operations:	<u>36,637.70</u>	<u>13.81</u>
		2,235.08	0.84
	Total Other Income and	<u>2,235.08</u>	<u>0.84</u>
	Earnings before Income Tax:	<u>38,872.78</u>	<u>14.65</u>
	Net Income (Loss):	<u><u>38,872.78</u></u>	<u><u>14.65</u></u>

CARBON MONROE PIKE MH/DS
 PROVIDER SUMMARY WORKSHEET
 FOR YEAR ENDING 6/30/13

PROVIDER NAME: [REDACTED]

PERSON COMPLETING REPORT: [REDACTED]

CONTRACT COST CENTERS AND
 FUNDING STREAM: [REDACTED]

SCHEDULE A "ACTUAL EXPENSES"

ACTUAL GROSS EXPENDITURES	82720.81	145979.31		
LESS: (ALL OFFSETTING REVENUES)	16437.85	43882.33		
EQUALS NET FISCAL YR 12/13 EXPENSES	66282.96	102096.98		
AMOUNT PAID BY MH/DS	65303.57	139715.07		
SURPLUS / (DEFICIT)	(979.39)	37618.09		

SCHEDULE B - PER DIEM BILLINGS

GROSS PER DIEMS BILLED TO MH/DS	81741.42	183597.4		
LESS: (ALL OFFSETTING REVENUES)	16437.85	43882.33		
EQUALS NET PER DIEM EXPENSES	65303.57	139715.07		
LESS: (EXPENSES OVER CONTRACT)				
TOTAL	65303.57	139715.07		
AMOUNT PAID BY MH/DS	65303.57	139715.07		
CONTRACT MAXIMUM	79,210.00	139,774.00		
(OVER) / UNDER CONTRACT				

NOTE:

SCHEDULE "A" IS REQUEST FOR ACTUAL EXPENDITURES IN FISCAL YEAR 12/13.

SCHEDULE "B" IS REQUEST FOR PER DIEM BILLINGS IN FISCAL YEAR 12/13.

PLEASE COMPLETE PART "A" AND PART "B" FOR EACH FUNDING SOURCE. ALSO PLEASE FILL IN PERSON COMPLETING THE FORM IN THE EVENT THAT WE HAVE QUESTIONS OR NEED ADDITIONAL INFORMATION.

Prep by
SSS