



January 2, 2014

[REDACTED]

Dear Mr. [REDACTED]

I am enclosing for your review your final audit report as prepared by the Division of Audit and Review (DAR). Your response has been incorporated into the final report and labeled as an Appendix. The report covers the period from April 1, 2009 to May 31, 2013.

I would like to express my appreciation for all of the courtesy extended to my staff during the course of the fieldwork. I understand that you were especially helpful to Timothy N. Rausch in completing the audit process.

The final report will be forwarded to the Department's Office of Developmental Programs (ODP) to begin the Department's resolution process concerning the report's contents. The staff from ODP will be in contact with you to follow-up on the actions taken to comply with the report's recommendations.

If you have any questions concerning this matter, please contact David Bryan, Audit Resolution Section at 717-783-7217.

Sincerely,

Tina L Long

Tina L. Long, CPA
Director

Enclosure

c: Ms. Shelley Zaslow
Mr. Timothy O'Leary
Ms. Deborah Donahue
Ms. Patricia McCool

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
Mr. David Bryan
Mr. Michael A. Sprow
Ms. Shelley Lawrence
SEFO Audit File (S1215-R46)

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 DPW'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 (65 P.S. §§ 67.101 et seq.) The DPW RTKL Office can be contacted by email at: ra-dpwtkl@pa.gov.



January 2, 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), the Bureau of Financial Operations (BFO) initiated an audit of the Home and Community Based Habilitation Services provided by [REDACTED]. The audit was designed to investigate, analyze and make recommendations regarding the reimbursements from the Provider Reimbursement and Operations Management Information System (PROMISe) for client care. Our audit covered the period from April 1, 2009 to May 31, 2013 (Audit Period).

This report is currently in final form and therefore contains Mr. [REDACTED] views on the reported findings, conclusions and recommendations attached as an Appendix hereto.

Executive Summary

Mr. [REDACTED] provides services to consumers who are enrolled by ODP. Mr. [REDACTED] works with Philadelphia County’s Intellectual Disability Unit to provide in-home and day placement behavioral support services to consumers.

Mr. [REDACTED] provides services through participation in the Home and Community Based Habilitation Services (Consolidated, Person/Family Directed Supports and Autism) waiver programs.

The report findings and recommendations for corrective action are summarized below:

FINDING	SUMMARY
<p>Finding No. 1 – No Effective Internal Controls Over PROMISe Billings Existed During The Audit Period.</p>	<p>Examination of provider records revealed that no effective system of internal control, review or reconciliation of PROMISe billings existed during the Audit Period.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>Mr. [REDACTED] should:</p> <ul style="list-style-type: none"> • Design and implement an effective system of internal controls over PROMISe billings. These controls should include a reconciliation of documented service time to units billed through PROMISe. 	

[REDACTED]
April 1, 2009 to May 31, 2013

FINDING	SUMMARY
Finding No. 2 – PROMISe Claims Were Not Adequately Documented.	A statistically valid random sample (SVRS) of PROMISe claims was tested for adequacy of supporting documentation. The result was that 21.39% of the ODP claims were inadequately documented. Extrapolating these variances over the entire population of reimbursed claims results in a disallowance of \$16,798.
HIGHLIGHTS OF RECOMMENDATIONS	
<p>ODP should:</p> <ul style="list-style-type: none">• Recover \$16,798 from Mr. [REDACTED] for claims that were inadequately documented.• Continue to ensure that Mr. [REDACTED] complies with programmatic and regulatory guidelines, particularly with respect to paid PROMISe claims. <p>Mr. [REDACTED] should:</p> <ul style="list-style-type: none">• Only claim reimbursements for services rendered and retain adequate documentation for each claim submitted to PROMISe.	

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

Results of Fieldwork

Finding No. 1 – No Effective Internal Controls Over PROMISe Billings Existed During The Audit Period.

Mr. [REDACTED] is a sole practitioner who has no administrative staff. Mr. [REDACTED] has no employees or subcontractors; he personally delivers behavioral support care to the consumers. Mr. [REDACTED] also has sole administrative responsibilities including billing PROMISe for services delivered. After several discussions with Mr. [REDACTED] and examination of his records, it was determined that no effective oversight, proof or secondary review was made of the information submitted to PROMISe nor was it reconciled to the underlying documentation. It is likely that some errors and omissions resulted from such a lack of internal control.

Recommendation

The BFO recommends that Mr. [REDACTED] design and implement an effective system of internal controls over PROMISe billings. These controls should include a reconciliation of documented service time to units billed through PROMISe.

[REDACTED]
April 1, 2009 to May 31, 2013

Finding No. 2 - PROMISe Claims Were Not Adequately Documented.

Analysis of the PROMISe reimbursements' underlying documentation indicated that some of the ODP claims tested did not have the required supporting documentation¹.

An SVRS of paid claims was analyzed to verify the eligibility and delivery of services. In order for claims to be valid, each one must be supported by documentation of a qualified care-giver's time in and time out, quantity of service, type of service and a daily descriptive progress note. The BFO's analysis found that 21.39% of the ODP claims were not supported by adequate documentation.

Some claims could not be supported because the time sheets were missing. Other claims were disallowed because the numbers of hours/units attested to on the timesheets were less than the number of units that were reimbursed.

Applying the rate of unsupported claims (21.39%) to the total reimbursements during the Audit Period (\$78,533), results in a disallowance of \$16,798.

Recommendations

The BFO recommends that ODP recover \$16,798 for inadequately documented claims.

The BFO also recommends that ODP continue to monitor Mr. [REDACTED] to ensure compliance with programmatic and regulatory guidelines, particularly with respect to paid PROMISe claims.

Finally, the BFO recommends that Mr. [REDACTED] retain adequate documentation for each claim submitted to PROMISe.

Exit Conference

On December 12, 2013, an exit conference was held to discuss the draft report and management's response. Management attributed the lack of certain records to a recent move of his office and the clerical filing issues that resulted. As such, no changes were made to the draft report.

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

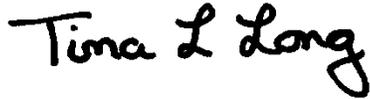
RA-pwauditresolution@pa.gov

¹ 55 Pa, Code Chapter 51 §51.15 Provider Records and §51.16 Progress Notes; 55 Pa., Code Chapter 1101 §1101.11 General Provisions and §1101.11 Ongoing Responsibilities of Providers

[REDACTED]
April 1, 2009 to May 31, 2013

The response to each recommendation should indicate ODP'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". The signature is written in a cursive, slightly slanted style.

Tina L. Long, CPA
Director

c: Ms. Shelley Zaslow
Mr. Timothy O'Leary
Ms. Deborah Donahue
Ms. Patricia McCool

bc: Mr. Alexander Matolyak
Mr. Daniel Higgins
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Mr. Michael A. Sprow
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APPENDIX A

APPENDIX A

Background

██████████ is a sole proprietor whose home office is in ██████████ PA. Mr. ██████ provides behavioral support services to consumers who are enrolled by ODP. Mr. ██████ works with ██████████ County's Intellectual Disability Unit to provide Home and Community-Based services to consumers.

Mr. ██████ assists consumers to acquire and maintain the highest possible level of independent living by providing behavioral support services.

ODP funds the waiver eligible services through the PROMISe reimbursement process.

Objective/Scope/Methodology

The audit objective, developed in concurrence with ODP was:

- To determine if Mr. ██████ has adequate documentation to substantiate his claims as reimbursed by PROMISe for home and community-based services.

The criteria used to ascertain the adequacy of supporting documentation was 55 Pa. Code Chapter 1101, 55 Pa. Code Chapter 51, ODP Bulletin #00-07-01 dated April 26, 2007 and pertinent Federal Waiver requirements.

In pursuing this objective, the BFO interviewed ODP personnel and Mr. ██████. We also analyzed consumer files and progress notes, care-giver's time sheets, PROMISe reimbursement data, electronic records available in the Home and Community Services Information System (HCSIS) and other pertinent data necessary to pursue the audit objective.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objective described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of the effectiveness of those controls. Based on our understanding, no effective internal controls existed during the Audit Period over PROMISe billing procedures and in the completion and retention of documentary evidence. Areas where the BFO noted an opportunity for improvement in management controls are addressed in the findings and recommendations of this report.

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

The BFO's fieldwork was conducted from June 25, 2013 to July 12, 2013 and was performed in accordance with GAGAS. This report, when presented in final form, will be available for public inspection.

Conclusion on the Objective

In conclusion, Mr. [REDACTED] did not always have adequate documentation to substantiate his claims for home and community habilitation based services. As such, the BFO recommends that ODP recover \$16,798 and that Mr. [REDACTED] continues to consult with ODP to ensure that appropriate services are delivered and those services are supported with adequate documentation.



RESPONSE TO THE DRAFT REPORT

APPENDIX B

██████████ Response Received Via Email

Mr. Higgins,

After reviewing the audit findings that was completed by Timothy Rausch I feel that the total amount that I will have to refund the state far exceeds the amount that I could not account for when Mr. Rausch completed the audit. I did not have progress notes available for Mr. Rausch to review which the amount totaled \$1643.36 and the amount that I have been informed that I owe is \$16,800.00. Is this a \$15000.00 fine??? I would like to start the appeal process for the discrepancy between the two amount. Thank you.

████████████████████