



DEC 20 2011

Ms. Deborah Spealman, Co-Executive Director,
Ms. Evonne Wert, Co-Executive Director
A Nurturing Experience, LLC
36 York Street
Hanover, Pennsylvania 17331

Dear Ms. Spealman and Ms. Wert:

I am enclosing the final report of the audit of A Nurturing Experience, LLC as prepared by this office. Your response has been incorporated into the final report and labeled Appendix A.

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 contents. The staff from the ODP may be in contact with you to follow up on the actions taken to comply with the report's recommendations.

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

Please contact Alexander Matolyak, Audit Resolution Section, at 717-783-7786 if you have any questions concerning this audit.

Sincerely,

Tina L. Long, CPA
Director

Enclosure

c: Secretary Gary Alexander
Mr. Timothy M. Costa
Mr. Kevin M. Friel
Mr. John Witt
Mr. Tim O'Leary



DEC 20 2011

Mr. Timothy M. Costa
Executive Deputy Secretary
333 Health & Welfare Building
Harrisburg, Pennsylvania 17102

Dear Mr. Costa:

In response to a request from the Office of Developmental Programs (ODP), the Bureau of Financial Operations (BFO) conducted a performance audit of A Nurturing Experience, LLC (ANE).

The report is currently in final form and therefore contains ANE's views on the report findings, conclusions or recommendations. ANE's response to the draft report is included as Appendix A. The data used to prepare the report findings was discussed at closing conference held with ANE on July 18, 2011. ANE did not request an exit conference.

A Nurturing Experience's Executive Summary

ANE received a termination letter, dated April 8, 2011, from the ODP for non-compliance with the "Provider Agreement for Participation in Pennsylvania's Consolidated and Person/Family Directed Support Waivers" (ODP Provider Agreement) and the "Commonwealth of Pennsylvania Department of Public Welfare Office of Medical Assistance Programs Provider Agreement for Outpatient Providers" (OMAP Provider Agreement). An appeal is pending.

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

FINDING NO. 1	SUMMARY
<p><u>There is Uncertainty Surrounding Home and Community Habilitation Services</u></p>	<ul style="list-style-type: none"> • ANE's service documents are either too vague to make a determination or appear to describe Companion Services rather than Home and Community Habilitation. • We could not validate the appropriateness of 1,449 Habilitation units billed by ANE. • ISP Outcomes and Outcome Actions are vaguely written. • The AE did not revise the consumer's ISPs to add Companion Services, if deemed appropriate. • Inconsistencies in program guidance and fragmented communication exist at the AE.

HIGHLIGHTS OF RECOMMENDATIONS

ANE should:

- Adequately document the services provided to the consumers in the Service Authorization Form.
- Ensure all staff that provides direct service is adequately trained on documentation standards.

ODP should:

- Clearly define Service Definitions and clarify appropriate HCH and Companion activities.
- Examine the list of medical appointments and other questionable activities that was provided and make a determination as to the appropriateness of the service ANE provided.
- Ensure AEs are approving ISPs that are written with specific, clear, defined Outcomes and Outcome Action statements.
- Encourage open communications internally between the AE staff, including the SCs.

FINDING NO. 2	SUMMARY
<p><u>Management Controls and Operating Practices can be Strengthened.</u></p>	<ul style="list-style-type: none"> • Thirteen erroneous billings resulted in an under-billing of 19 units. ANE does not reconcile PROMISe billings to supporting documentation. • The co-owners do not maintain timesheets to differentiate between their administrative and direct care hours. • We identified six contracted staff timesheets that were not signed by either the contracted staff, ANE management or both parties. • ANE's policies and procedures are missing key business practices.

HIGHLIGHTS OF RECOMMENDATIONS

ANE should:

- Correct the billing errors identified and perform periodic reconciliations of PROMISe billings to the Service Authorization Forms.
- Maintain timesheets that distinguish between administrative and direct care time of the co-owners.
- Ensure that contractor timesheets are signed by staff and adequately reviewed and approved by management prior to submission for payment.
- Develop and implement policies and procedures for the identified areas.

Observation	SUMMARY
<u>On-line Training Enhancements can be made to the ODP Consulting Website</u>	<ul style="list-style-type: none">• Additional programmatic training could enhance the current curriculum used by the AE and providers.• This should include documentation requirements, adequate ISP language surrounding Outcomes, Outcome Actions and Goals and clarification on service definitions.

Background

ANE provided 4,296 units of Home and Community Habilitation (HCH) Level 3 to thirteen consumers during the audit period of January 1, 2011 through March 31, 2011. ANE's revenues totaled approximately \$19,375.

ODP executed the termination letter based upon compliance reviews completed by ANE's Administrative Entity (AE), the York/Adams Mental Health and Mental Retardation Office. The compliance reviews for Fiscal Years (FY) 2007-2008 through 2009-2010 cited non-compliance with providing services in accordance with the Consolidated Waiver Service Definitions and the consumers' Individual Support Plan (ISP). In addition, ANE was cited for failing to keep records to disclose the extent of services provided to consumers and failing to comply with financial requirements regarding accurate submission of claims.

Objective/Scope/Methodology

The audit objective, developed in concurrence with the ODP was:

- To verify the accuracy and legitimacy of A Nurturing Experience PROMISE billings and determine if services were provided in accordance with the approved Waivers.

In pursuing our objective, the BFO interviewed ODP, the AE management staff, including Supports Coordinators (SC) and the co-owners of ANE. We referenced applicable ODP Bulletins, the ODP and OMAP Provider Agreements and the Consolidated Waiver Service Definitions. We analyzed consumer's ISPs, ANE's Service Authorization Forms, staff schedules, and PROMISE billings for the audit period January 1, 2011 through March 31, 2011.

For programmatic decisions, we provided ODP with a list of concerns specific to ANE staff taking consumers to medical appointments and performing other activities that did not appear to relate to the consumer's ISP and associated goals.

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

Government auditing standards also require that we obtain an understanding of internal 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 of the controls, deficiencies were identified. These deficiencies and other areas where we noted an opportunity for an improvement in management's controls are addressed in the findings of this report.

Fieldwork for this audit took place between May 16 and May 23, 2011. The report, when presented in its final form, is available for public inspection.

Result of Fieldwork

The following are the audit findings, recommendations and one observation:

Finding No. 1 – There is Uncertainty Surrounding Home and Community Habilitation Services.

One recurring finding in the AE's compliance reviews is that ANE is not providing services in accordance with the HCH service definition. HCH is a service designed for assisting Waiver participants with acquiring, maintaining, and improving skills necessary for residing successfully in home and community-based settings. It is possible that in lieu of HCH services ANE is providing Companion Services which more appropriately fit the definition of "are provided to protect the health and welfare of the individual when a habilitative outcome is not appropriate".

Inadequate Documentation Makes it Difficult to Distinguish Between HCH and Companion Services

ANE's Service Authorization Forms identify the types of activities direct care staff perform with the consumer on an on-going basis. We examined ANE's documents and in many instances the nature and description of the service rendered was either too vague to make a determination or appeared to be more in the nature of companionship than HCH.

In addition, there has been numerous communications between ODP, the AE and ANE regarding the appropriateness of taking consumers to medical appointments and other activities performed by ANE.

From our analysis, we identified 89 units solely attributed to ANE taking consumers to medical appointments. In addition, we identified 292 units in which part of the activity provided by ANE was taking the consumer to a medical appointment. We also identified 1,068 units of activities provided to consumers that did not appear to comply with either the HCH service definition or the consumer's ISP Outcomes and goals. These activities included taking consumers to malls and restaurants and appeared to be more Companion Services. We provided Central Region ODP with a detailed list of the concerns.

Further, even though the AE was concerned with some of the services being provided by ANE, the AE did not revise the consumer's ISP to add Companion Services (or to look for a different HCH provider). The AE asked ANE if they would like to become a Companion service provider but ANE declined because of the lower reimbursement rate.

ISP Outcomes and Outcome Actions are Vaguely Written

ODP Bulletin 00-10-12, "Individual Support Plans" outlines standardized processes for preparing, completing, documenting, implementing and monitoring ISPs. The ISP Manual (Attachment 1 of the Bulletin) states that Outcome Statements are joined with Outcome Actions. Outcome Actions specify what will occur to achieve the outcome. An Outcome attached to HCH should show how the individual will learn, maintain or achieve the skill.

In many instances, we found that the ISPs used generic Outcome and Outcome Action language. This creates an uncertainty regarding the type of service best suited for the consumer to accomplish their goals. For example, ISP outcome and outcome action language included the following:

- "(Individual) wants to participate in variety of activities in order to increase my social, recreational and ADL (assisted daily living) skill levels"
- "(Individual) wants to participate in out of home activities."
- "(Individual) will work on goals to help him acquire/maintain/improve self-help, safety and skills of independence."
- "(Individual) will continue to receive home and community habilitation."

Inconsistencies in Program Guidance and Fragmented Communication was Identified at the AE

At the AE, we interviewed two SCs, a SC Supervisor, the Program Specialist (PS) who oversees the SC units, and the Contract Compliance Monitor (CCM). The results from interviewing the staff revealed inconsistencies in the application and understanding of program guidelines and appropriate HCH activities. There also appears to be fragmented communications within the AE, as illustrated by the following examples:

- We received inconsistent statements regarding the sufficiency of ANE's service notes from various levels within the AE.
- One SC believes taking consumers to medical appointments was always a HCH activity. The SC Supervisor, based on direction from ODP, believes this activity should be considered a Companion Service. The other AE staff interviewed indicated that the appropriate service code will depend on the specific situation.
- The SCs said that the issue of taking consumers to medical appointments was a recent issue, while the SC Supervisor said it has been an issue for a couple of months. The PS indicated this has been an issue for almost a year.
- The SCs stated they were instructed that ISP Outcomes should be general in nature however the PS indicated that Outcomes should be more specific.

- The SCs, who have the most direct contact with providers, said they do not believe it is their responsibility to discuss and offer guidance to providers. The PS believes the SCs should be reviewing what providers are doing and recommending necessary changes.
- The SC reports provider issues to the SC Supervisor. The SC Supervisor informs the PS, who in turn informs the CCM. The CCM follows-up during the annual provider review and offers guidance to providers in relation to the compliance review findings. The SC and the CCM do not directly communicate and the SC is not made aware of the results, or recommendations, from the compliance review.
- One ANE consumer had an outcome of traffic safety, which was approved by the SC and the SC Supervisor. However, the CCM criticized ANE in the compliance review regarding this consumer's outcome and the services being provided.
- Except for one consumer, the SCs did not report any programmatic issues during the consumer monitoring from September 2010 through March 2011.

Recommendations

The BFO recommends that ANE adequately document the services provided to the consumers in the Service Authorization Form. The notes should be detailed and specific and easily tie into the consumer's outcomes and goals. In addition, ANE should ensure all staff that provides direct service is adequately trained on documentation standards.

The BFO recommends that ODP clearly define Service Definitions and clarify appropriate HCH and Companion activities. This should include the appropriateness of taking consumers to medical appointments.

The BFO also recommends that ODP examine the list of medical appointments and other questionable activities that was provided and make a determination as to the appropriateness of the service ANE provided. For any activities that are determined inappropriate, ODP should recoup any monies that were reimbursed.

The BFO further recommends that ODP ensure AEs are approving ISPs that are written with specific, clear, defined Outcomes and Outcome Action statements. This should be completed in conjunction with the provider and would ensure that consumers are receiving the appropriate services to achieve their goals.

The BFO finally recommends that ODP encourage open communications internally between the AE staff, including the SCs. This will ensure that providers are receiving consistent programmatic guidance and recommendations.

Finding No. 2: Management Controls and Operating Practices Can Be Strengthened.

Management controls are developed to ensure, on a reasonable basis, that errors and irregularities do not occur. A good control system is essential to achieving proper conduct and

accountability of resources. It also facilitates the achievement of management objectives and effective decision making by serving as a check and balance against undesired actions.

During our audit, the BFO identified the need for improvements to management controls and operating practices in the following areas:

- Billing and Reconciliation Processes

Good business practices state that a reconciliation of revenues to billings be completed on a periodic basis. This will provide assurance that ANE is in receipt of all dollars for services provided. Any discrepancy that is uncovered should be explored and documented.

We identified thirteen erroneous billings which resulted in ANE under-billing 19 units during the audit scope. ANE did not reconcile PROMISE billings to service authorization forms and staff schedules.

- Timesheets

In addition to performing the administrative functions at ANE, the co-owners also provide direct care services. The co-owners do not maintain timesheets that differentiate between their administrative and direct care hours. This could result in inaccurate reporting of expenses on the cost report and effect ANE's reimbursement rate.

Also, ANE uses a professional temporary service for contracted direct care staff. Even though the co-owners stated they review the staff's timesheets, we identified six timesheets that were not signed by either the contracted staff, ANE management or both parties. Inadequate review and approval of staff timesheets could lead to delayed and/or inappropriate payment to staff.

- Policies and Procedures

Policies and procedures are necessary to ensure consistent business operations, as well as aid in training and developing new staff. Overall ANE's written policies and procedures are a good starting point however some key business functions can be addressed.

The BFO provided ANE with a list of various policies and procedures that should be documented and updated as appropriate. The key procedures include: PROMISE billing and reconciliation; completion, review and approval of Service Authorization Forms; progress note completion and approval; and staff scheduling.

Recommendations

The BFO recommends that ANE correct the billing errors identified during the audit scope. In addition, ANE needs to perform reconciliations of PROMISE billings to service authorization forms.

The BFO also recommends the co-owners maintain timesheets that distinguish between administrative and direct care time.

The BFO further recommends ANE ensure that contractor timesheets are signed by staff and adequately reviewed and approved by management prior to submission for payment.

The BFO finally recommends that ANE develop and implement policies and procedures for the identified areas.

Observation - On-line Training Enhancements can be made to the ODP Consulting Website

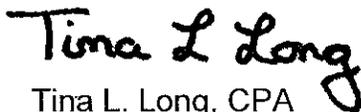
The ODP Consulting website includes a variety of training for provider and AE staff, including SCs. To mitigate the findings identified in this audit, as well as other provider audits, ODP should consider making enhancements to the current training curriculum.

Enhancements could include additional programmatic training specific to documentation requirements, adequate ISP language surrounding outcomes, outcome actions and goals and clarification on service definitions. This training should be available to providers, the AEs and the SC staff and used for training and reinforcement of policies.

In accordance with our established procedures, an audit response matrix will be provided to ODP. The ODP will be responsible for completing the matrix and forwarding it to the DWP Audit Resolution Section within 60 days. 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.

Please contact Alexander Matolyak, Audit Resolution Section at (717)783-7786 if you have any questions concerning the audit or if we can be of any further assistance in this matter

Sincerely,



Tina L. Long, CPA
Director

c: Secretary Gary Alexander
Ms. Deborah Spealman/Ms. Evonne Wert
Mr. Kevin Friel
Mr. John Witt
Mr. Tim O'Leary

**A NURTURING EXPERIENCE, LLC
RESPONSE TO THE DRAFT REPORT**

APPENDIX A



A Nurturing Experience, LLC
36 York Street
Hanover PA 17331

Phone 717-646-8111

Fax 717-646-8112

ANE Response to Audit Report

1. Uncertainty surrounding Home and Community Habilitation Services: *ANE is continually working on documenting more clearly what was actually taught to consumers. We had previously worked for another provider and were documenting as we had there, until we were told by the monitor, and the auditors, that we are to show what consumers were actually taught. We have had trainings on documentation and are always open to any further direction we are given. Concerning the companionship service, we are, and have been attempting to have companionship added as a service for 3 -4 months. We were told in August that consumers were ok'd for companionship, then found out we could not bill, as we were previously told, we were ready to provide this service. To stay within the service definition of Home and Community we have had to provide companionship, without pay, until the service is truly added. Concerning the medical appointments, we had been providing this service and had spoken to 2 people concerning the legitimacy of this service.(one was Beth Hovenstein and the other Liz Vaught) We believed we were in discussions concerning this ,since we had always provided this service, with ANE, and the previous H&C provider we worked with, and the SC's were calling to ask for these appointments from us and what the outcome was. We were told by the auditors that, as long as we document what we taught, assisted or prompted the consumer, we could provide this service for those that cannot access themselves. At this time, that are 2 consumers who need assistance, all others are able to access themselves. We never received any direction until the AE monitor, who herself thought doctors appt's were part of H&C, began discussing the documentation with us and directing us on how to document using instruction based training.

2. Management Controls and Operating practices can be strengthened :

*ANE is reconciling weekly the RA's and the service verifications to prevent further mistakes. Co-owners are responsible.

* Timesheets are being kept to differentiate between Administrative and

Direct Care Services by the Co-Owners since suggested by auditor. Co-Owners are documenting their own timesheets.

*We are much more vigilant checking and signing off on the timesheets to prevent further problems since this has been pointed out to us. Co-Owners are responsible.

*We are in the process of writing additional policies and procedures, suggested by the auditors, and integrating the key business practices as suggested. The co-owners are working on this and it should be completed by 12/10/11.

Deb Spealman
Evoone Wert