



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
BUREAU OF FINANCIAL OPERATIONS
ROOM 525 HEALTH & WELFARE BUILDING
HARRISBURG, PA 17105-2675

JAN 02 2008

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KEVIN M. FRIEL
DIRECTOR

Ms. Jacqueline Klemick, Director
Northumberland County Transportation
2154 Trevorton Road, 3rd Floor
Coal Township, Pennsylvania 17866

Dear Ms. Klemick:

Enclosed is the final audit report of the Northumberland County Medical Assistance Transportation Program (MATP), completed by this office. The report contents were discussed with you and your staff at an exit conference on December 19, 2007. Your written response has been incorporated into the final report and labeled Appendix A.

The final report will be forwarded to the Department of Public Welfare's (DPW) Office of Medical Assistance Programs to begin the DPW's resolution process concerning the report contents. The staff of the Office of Medical Assistance Programs may be in contact with you to follow-up on the corrective action actually taken to comply with the report's recommendations.

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

Please contact Ms. Tina Long, Director, Division of Financial Policy and Operations at (717) 705-2288 if you have any questions concerning this matter.

Sincerely,

A handwritten signature in black ink that reads "Kevin M. Friel".

Kevin M. Friel

Enclosure

cc: Mr. Michael Nardone
Mr. Jeffrey Bechtel
Mr. Demielo C. Lucketta

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.



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Mr. Michael Nardone
Deputy Secretary for Medical Assistance Programs
Health and Welfare Building, Room 515
Harrisburg, Pennsylvania 17120

Dear Mr. Nardone:

In response to a request from the Bureau of Managed Care Operations (BMCO), the Bureau of Financial Operations (BFO) has completed a performance audit of the Northumberland County (County) Medical Assistance Transportation Program (MATP). The audit was primarily directed to assess the Counties regulatory compliance in the area of financial reporting. This audit addresses costs reported for the 21 month period July 1, 2005 through March 31, 2007.

An audit exit conference was held on December 19, 2007 with management staff of the Northumberland County Transportation Department (NCTD) and the Director of Human Senior and Social Services. At the conference the findings and recommendations in the draft report and NCTD's written response was discussed. NCTD's written response has been incorporated into the final report and labeled Appendix A.

The audit questions the eligibility of \$64,960 in costs that were charged to the MATP. The report also identifies opportunities for improvement in the management and delivery of transportation services to Medicaid eligible clients.

**Northumberland County
 Medical Assistance Transportation Program
 July 1, 2005 through March 31, 2007**

**Northumberland County MATP
 Executive Summary**

MATP is a federally mandated program. Federal regulations require transportation be available for Medical Assistance (MA) clients to and from medical appointments. DPW fulfills this entitlement program by providing both emergency and non-emergency medical transportation services. Emergency medical transportation is funded through a separate appropriation, while non-emergency services are funded through MATP.

The operation of County MATP Programs is governed by Instructions and Requirements (I&R) which describe general county responsibilities, fiscal requirements, safety and eligibility procedures, and program management guidelines. Counties must also comply with the requirements of Pennsylvania Code Title 55, Chapter 2070 regulations which define the procedures for verifying client MA eligibility.

In Northumberland County MATP services are provided by the County Transportation Department. The report findings and recommendations for corrective action are summarized below:

FINDINGS	SUMMARY
<p><i>Finding No. 1 – Reported MATP costs were overstated by \$44,729.</i></p>	<p>The MATP services in Northumberland are provided by the County Transportation Department (NCTD) which also provides a variety of government funded transportation services through its shared ride program. As a result certain general and administrative costs are shared and must be allocated to the various programs. Prior to January 2007, NCTD had not developed a cost allocation plan (CAP) that could equitably distribute shared costs to the various programs. An analysis of the NCTD's distribution of these costs revealed that the MATP was overcharged. The NCTD did not reconcile their financial records with the County General Ledger, the official books of record, when they prepared their quarterly expenditure reports. The absence of an equitable CAP and the failure to reconcile costs reported to the actual costs incurred resulted in an overstatement of eligible costs for the twenty-one month period ended March 31, 2007 by \$44,729.</p>

**Northumberland County
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HIGHLIGHTS OF RECOMMENDATIONS	
<p>DPW should:</p> <ul style="list-style-type: none"> immediately recover the \$44,729 overpayment from NCTD. <p>NCTD should:</p> <ul style="list-style-type: none"> complete annual time studies to support the CAP. reconcile all costs to the County General Ledger prior to the preparation of the quarterly expenditure report. 	
FINDINGS	SUMMARY
<p><i>Finding No. 2 – The MATP Was Inappropriately Charged \$20,231 for Adult Day Care Trips</i></p>	<p>The NCTD inappropriately interpreted a November 2004 directive from the Department of Aging to read that all medical transportation provided to clients who have exceeded the age of 60 and are eligible for medical assistance should be charged to MATP. As a result, the trips to adult day care for MA eligible adults exceeding the age of 60 were billed to MATP. A review of the MATP trips identified \$20,231 in adult day trips. Adult day program trips are not eligible for MATP participation.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>DPW should:</p> <ul style="list-style-type: none"> recover the \$20,231 in inappropriate charges from NCTD <p>NCTD should:</p> <ul style="list-style-type: none"> explore the possibility of submitting a retroactive claim to the Department of Aging for the \$20,321 of adult day care trips provided. 	
FINDINGS	SUMMARY
<p><i>Finding No. 3 - The NCTD Must Comply with the MATP Instructions and Requirements</i></p>	<p>Staff turnover at NCTD and the misinterpretation of certain MATP requirements resulted in compliance issues in the following areas:</p> <p><u>Excessive No-Shows</u> A sample of MATP consumers with excessive no-shows within a thirty day period indicates that the consumers were not provided with written notification of the no-show policies and procedures and none were suspended from participation.</p> <p><u>Criminal History and Child Abuse Clearances</u> MATP regulations require child abuse and criminal history clearances for all drivers. While child abuse clearances were completed the criminal history checks had not been initiated.</p>

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FINDINGS	SUMMARY
<i>Finding No. 3 (Cont'd)</i>	<p><u>Out of County Transportation</u> NCTD does not coordinate transportation with out-of-county providers. In certain cases it is more economical to utilize out-of-county providers to provide transportation services.</p> <p><u>Purchase of Assets</u> MATP regulations require the purchase of assets exceeding \$10,000 be approved by the DPW. The NCTD relocated its offices. The relocation required the purchase and installation of various assets that exceeded the \$10,000 benchmark that were not prior approved by DPW.</p> <p><u>Notification of Budget Projections</u> MATP regulations require counties to prepare and submit revised budget projections when material cost changes are identified. Actual costs for FY 05/06 exceed the budget by \$55,000 or 13% and we project that the FY 06-07 expenses will be under the budget by \$94,000 or 17%. Revised Budget Revision Reports have not been submitted.</p> <p><u>Policy and Procedures Manual</u> A formal policies and procedure manual does not exist at NCTD and should be prepared.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>NCTD should:</p> <ul style="list-style-type: none"> • comply with all requirements of the Instructions and Regulations • request technical assistance in areas where interpretations are needed 	
FINDINGS	SUMMARY
<i>Finding No. 4 - The Provision of Urgent Care Trips is Not Cost Effective</i>	<p>Urgent care/after hours transportation is typically associated with hospital discharges. The current system provides annual on-call payments to the drivers of \$7,800 and \$7,800 to the operations manager to be available to take the calls. During 2005 only one trip was provided, two were provided during 2006 and four trips were provided during the first six months of 2007. The current system is not cost effective and alternatives must be investigated.</p>

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HIGHLIGHTS OF RECOMMENDATIONS

NCTD should:

- contract for a less costly transportation alternative to the current on-call system

Northumberland County should:

- evaluate alternatives to the current administration on-call system to include the retention of the Operations Manager

OBSERVATION

A total of \$112,413 Has Been Expended On A Software Program That Does Not Meet NCTD's Needs

NCTD purchased \$40,000 in software in June 2006 for use in the delivery of transportation services. Since that time an additional \$72,413 has been expended to train the staff, maintain and modify the software. The software still does not meet NCTD's needs and additional modifications are needed. Other County MATP may also be using this software and paying to have the software customized.

Background

The MATP services in Northumberland are provided by the County Transportation Department (NCTD). The NCTD provides transportation to MA clients through use of shared-ride program buses and subcontractors. MATP funding for the nine month period ended March 31, 2007 was \$458,190. The County also provides various transportation services funded by the Pennsylvania Department of Transportation (PennDot) Lottery Shared-Ride Program, the County's Area Agency on Aging, the Mental Health-Mental Retardation Program and the Community Service Block Grant. The County's funding for these various transportation services for the nine month period ended March 31, 2007 was \$885,817. For report purposes, we will classify MA funding as MATP and all other funding streams as shared-ride.

Objective, Scope and Methodology

The audit objectives, developed in concurrence with OMAP were:

- To evaluate the County's MATP quarterly invoices for accuracy, regulatory compliance and supporting documentation for the period July 1, 2005 through March 31, 2007.

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- To review County MATP operations in order to determine on-going program effectiveness.

In pursuing these objectives, the BFO interviewed staff members from NCTD. We also reviewed accounting records, financial records, timesheets, driver logs, trip logs and other pertinent data necessary to complete our objectives.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objectives described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of compliance with generally accepted accounting principles. Based on our understanding of the controls no significant deficiencies came to our attention other than those described in the findings included in this report.

Fieldwork for this audit took place between July 25, 2007 and August 20, 2007 and was performed in accordance with generally accepted government auditing standards. The report, when presented in its final form, is available for public inspection.

Results of Fieldwork

Finding No. 1 – Reported MATP Costs Were Overstated by \$44,729

MATP costs reported to OMAP for Fiscal Year 2005-06 were overstated by \$21,330. This amount includes non-reported interest income of \$508. MATP costs reported to OMAP for the nine-month period ended March 31, 2007 were overstated by \$23,399.

The primary reasons for the \$44,729 overstatement were non-reconciliation of reported costs to the County General Ledger, and absence of a CAP to equitably allocate administrative operating costs among the NCTD funding sources.

Absence of a Documented Cost Allocation Plan

Prior to January 2007, the NCTD did not document the basis used to charge administrative costs to its funding sources including the MATP. Per the MATP I&R, counties with more than one funding source for transportation must utilize a written CAP that demonstrates equitable cost distribution. The CAP must be available for independent review.

During January 2007, the NCTD performed a time study of administrative positions to use as a basis to allocate shared costs. The study identified a percentage of time worked in MATP for each administrative employee. We analyzed the results of the time study and adjusted the percentage of MATP time to remove the time associated with planning and conducting the time study which would not be continued throughout the year. The adjusted time study was used to calculate allowable MATP administrative costs for Fiscal Years 2005-06 and 2006-07.

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MATP Costs Not Reconciled to the County General Ledger

MATP reports were not prepared from and reconciled to the County General Ledger. The County Controller's Office submits a monthly fiscal filer to the NCTD. The monthly fiscal filer represents the County General Ledger report of the NCTD expenditures by line item. A comparison of the reported costs to the General Ledger entries identified numerous variances.

Recommendations

The BFO recommends that OMAP recover the \$44,729 which represents amounts billed in excess of eligible expenses. The NCTD should determine the potential for obtaining reimbursement for these costs from the programs that should have been charged. At a minimum, the Fiscal Year 2006-07 costs could be considered as an eligible audit adjustment. The allocation of costs to the non-MATP programs would be supported by the CAP.

The BFO further recommends the NCTD continue to perform an annual time study. The time study should be done at different intervals and used for the corresponding fiscal year. The methodology used to conduct the time study as well as the cost allocation percentages should be documented as the NCTD's written CAP. The CAP should be updated to reflect the results of the annual time study.

The BFO finally recommends the NCTD reconcile its costs to and prepare the quarterly expenditure reports from the monthly fiscal filers/County General Ledger reports. The reconciliations should be retained for audit purposes to support the MATP quarterly expenditure reports. A new fiscal officer has recently been assigned to the NCTD. The fiscal officer should be assigned the responsibility of preparing the quarterly expenditure reports from the fiscal filer reports.

Finding No. 2 - The MATP Was Inappropriately Charged \$20,231 for Adult Day Care Trips

The MATP was inappropriately charged \$20,231 for adult day care trips provided from June 2005 through March 2006. Per the MATP I&R, medical transportation does not include transportation to an adult day care program. Per a November 30, 2004 directive issued to the County by the Pennsylvania Department of Aging, any individual aged 60 or older funded by Aging Block Grants or Shared-Ride Program who is also MA eligible, shall have their medical destinations funded by MATP. The County instructed the NCTD to comply with the directive. Based on an incorrect determination that transportation to adult day care was a medical destination, the County began to charge these trips to the MATP.

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The County Transportation Director informed us billing of adult transportation trips to the MATP ended by March 2006. We reviewed and tested adult day care trips provided subsequent to March 2006 and determined adult day care trips were not being charged to the MATP.

Recommendations

The BFO recommends OMAP recover \$20,231 which represents the cost of adult day care trips charged to the MATP.

The BFO also recommends the NCTD explore whether the cost of these trips could be retroactively funded through the Department of Aging.

Finding No. 3 - The NCTD Must Comply With the MATP I&R

The MATP I&R details various aspects of the program which the NCTD must adhere to in order to provide services under the grant agreement. We identified the NCTD was not in compliance with certain requirements of the MATP I&R. This resulted in part, from misinterpretation of some requirements and staff turnover. The following concerns were noted:

Excessive No-Shows

MATP regulations require the NCTD send a minimum of three notices to the consumer via a written communication advising of the following: notification of the no-show, how the consumer can appeal, and remind the consumer of the NCTD's policy. If the consumer has excessive no-shows in a 30 day period, the NCTD may suspend services to the consumer for 30 days. We reviewed no-shows for the period January – March 2007 and selected eight consumers having excessive no-shows for further review. Suspension notices were not located in any of the consumer files. The NCTD should send written notices to consumers who violate the policy and suspend consumers who have excessive no-shows in a 30 day period. We also noted most consumers with excessive no-shows were being transported to psych rehabilitation. At the closing conference, OMAP staff informed the County that psych rehabilitation is a non-eligible MATP service.

Criminal History and Child Abuse Clearances

MATP regulations require child abuse and criminal history clearances for all drivers and proof of clearances from subcontracted drivers at time of hire to ensure the safety of all consumers and the NCTD. The required clearances were not conducted. At the close of fieldwork, the NCTD had obtained the child abuse clearances but not the criminal history checks. On August 20, 2007, the Transportation Director informed us the forms for criminal history checks had been mailed for processing.

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Out of County Transportation

The NCTD does not coordinate transportation with out-of-county providers to provide transportation to destinations located outside the County. We noted one instance where a neighboring county could have provided the service at a lower cost. Although a neighboring county was willing to provide the transportation, the county was not contacted due to what appears to have been misinterpretation of the MATP requirements in this area. At the closing conference, OMAP staff agreed with this conclusion and informed NCTD. The NCTD should establish networks with out-of-county providers to provide cost effective out-of-county transportation services.

Purchase of Assets

The MATP allocation cannot be used to purchase or improve land, or purchase, construct or improve any building or other facility. MATP regulations require the County MATP to notify OMAP and receive approval to purchase assets in excess of \$10,000. In Fiscal Year 2005-06, the NCTD relocated its offices. This required the purchase and installation of various assets including a communication system and software exceeding \$10,000. Although the assets are not considered an unallowable cost, OMAP was not notified of various purchases exceeding \$10,000. In the future, the NCTD should obtain prior approval to purchase assets exceeding \$10,000.

Notification of Budget Projections

For Fiscal Year 2005-06, MATP expenditures exceeded the allocation by approximately 13 percent, or \$55,000. For Fiscal Year 2006-07, we project MATP expenditures will be approximately 17 percent, or \$94,000, under budget. MATP regulations require counties prepare and submit a revised MATP Budget Projection Report when material cost changes have been identified. For both fiscal years, a revised budget projection was not submitted for either fiscal year. The NCTD should notify OMAP as soon as material cost changes are identified and submit a revised MATP Budget Projection Report.

Policy and Procedures Manual

The NCTD has not developed a formal policy and procedures manual to detail its fiscal and operational functions. A manual would assist NCTD employees understand the daily requirements and procedures needed to maintain consistent operation, and aid in orientation of new employees. The fiscal section would include all necessary accounting functions such as reconciliation of MATP costs to general ledger, preparation of quarterly expenditure reports and other activities deemed necessary.

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Recommendations

The BFO recommends the NCTD comply with all requirements of the I&R.

The BFO also recommends the County contact OMAP for technical assistance in instances requiring interpretation or clarification of MATP regulations included in the I&R.

The BFO further recommends OMAP officially notify the County that psych rehabilitation is not an eligible MATP service to ensure the County is not charging MATP for ineligible trips.

Finding No. 4 - The Provision of Urgent Care Trips Is Not Cost Effective

The system used to provide urgent care or after-hour medical transportation services is not cost effective. From January 1, 2005 through July 31, 2007, seven urgent care trips were provided. One trip was provided in 2005, two in 2006, and four through July 31, 2007. The average cost per trip was \$15,600 for 2005, \$7,800 for 2006 and \$1,950 for the seven months ended July 31, 2007.

Urgent care is defined as any illness or severe condition which under reasonable standards of medical practice would be diagnosed and treated within a 24-hour period and if left untreated, could rapidly become a crisis or emergency situation. It also includes situations where a person's discharge from a hospital will be delayed until services are approved or a person's ability to avoid hospitalization depends upon prompt approval of services. We found the purpose of the urgent care trips primarily related to hospital discharges with one trip for an emergency room discharge. Emergency room discharges do not qualify as urgent care. Only one trip involved a consumer with mobility issues that may have required use of a van equipped with special equipment.

The cost charged to MATP to provide urgent care is \$15,600 per year. The cost is comprised of \$7,800 for on-call services provided by the County MATP operations manager and \$7,800 for on-call services provided by NCTD drivers. The cost for a driver called out for service is not a direct charge to the MATP.

At the audit closing conference, OMAP staff informed the Transportation Director that use of an answering machine to receive after-hour calls would comply with MATP requirements. This would also eliminate the \$15,600 annual cost charged to MATP to provide on-call services. OMAP staff informed the Transportation Director additional options to comply with urgent care will be discussed as part of a November on-site monitoring review.

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In the interim, the County should develop a contract with a subcontractor to provide the infrequent after hour trips. This would eliminate the \$7,800 annual cost of on-call services provided by the drivers with costs only incurred if an actual trip is provided.

The \$7,800 annual cost of administrative on-call is primarily provided by the County Transportation Operations Manager, who is knowledgeable in all aspects of the MATP program. She functions as a gatekeeper in determining what after hour calls qualify as urgent care. The on-call payments supplement her base salary paid at a \$9.21 hourly rate.

Recommendations

The BFO recommends the County begin the process to provide a less costly alternative in provision of urgent care services that complies with MATP requirements. The process should begin by elimination of driver on-call replaced with a subcontract in which reimbursement is made only for actual trips.

The BFO also recommends the County next evaluate alternatives to the administrative on-call costs being charged to MATP. The job responsibilities, functions and total compensation paid to this key employee providing the administrative on-call needs to be considered in order to retain this key employee.

Observation - A Total of \$112,413 Has Been Expended On A Software Program That Does Not Meet NCTD's Needs

The NCTD purchased a \$40,000 software program in June 2006 for use in delivery of transportation services. The initial purchase, along with subsequent purchases of associated maintenance agreements, software customization, and training costing \$72,413 were allocated to and charged to various NCTD funding sources including MATP. We determined the use of the software has not eliminated the need to manually count trips by type and individual rates as required per the MATP quarterly reports. The source documentation to support the trips reported on the Fiscal Year 2006-07 third quarter MATP report was 421 pages. The software does not sort the 421 pages of data by type of trip and by individual rates. The manual sorting of this data requires up to three days work by two administrative staff. The software should produce the information required on the quarterly report saving up to six work days per quarter.

The Transportation Director informed us numerous attempts have been made at a substantial cost to have the vendor make needed modifications, yet deficiencies still exist. The Director also informed us the software, named [REDACTED] may be used by other County Transportation Departments. As a result the potential exists for the MATP to fund multiple customization charges without achieving intended results. The Transportation Director has requested technical assistance from OMAP to assist the County in their working with the vendor to correct the software deficiencies.

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An audit exit conference was held on December 19, 2007 with management staff of the NCTD and the Director of Human Senior and Social Services. At the conference the findings and recommendations in the draft report and NCTD's written response was discussed. NCTD's written response has been incorporated into the final report and labeled Appendix A.

In accordance with the BFO established procedures, please provide a response within 60 days to the Audit Resolution Section concerning actions to be taken to ensure the report recommendations are implemented.

Please contact Tina Long, Director, Division of Financial Policy and Operations at (717) 705-2288 if you have any questions concerning this audit or if we can be of any further assistance in this matter.

Sincerely,



Kevin M. Friel

Attachment

cc: Mr. Jeffrey Bechtel
Mr. Demielo C. Luckette
Ms. Jacquelyn Klemick

**AUDITEE'S RESPONSE
APPENDIX A**

NCTD REPLY TO 2008 MATP AUDIT

FINDING-1

Reported MATP costs were overstated by \$44,729.

NCTD will complete annual time studies with changes suggested by the Bureau of Financial Operations at the time of the audit. NCTD will reconcile all costs to the County General Ledger which will support and/or cause adjustments to the Cost Allocation Plan. A Cost Allocation Plan is currently being prepared by the fiscal office.

NCTD, effective with the first quarter of fiscal year 2007-2008, will reconcile all cost to the County General Ledger prior to and in concurrence with the MATP quarterly reports.

FINDING-2

The MATP was inappropriately charged \$20,231 for Adult Day Care trips.

The Instructions and Requirements book for fiscal year 2004-2005 was followed until an Area Agency on Aging directive was issued regarding the payer of last resort. When NCTD received said directive, Marie Maurice from MATP was contacted regarding the issue of payer for Adult Day Care. NCTD was instructed, after verifying Adult Day Care was a compensable service through the MATP office, to change the billing code to MATP. The Instructions and Requirements for fiscal year 2004-2005 do not specifically list Adult Day Care as a non-compensable service. In fact, there is no compensable and non-compensable list in the Instructions and Requirements for 2004-2005. Marie Maurice, the MATP coordinator at that time, approved of the change in billing for Adult Day Care. NCTD had final approval through MATP of the interpretation of the Instructions and Requirements and the AAA directive as NCTD understood it. If an error in billing was made, it was made in good faith with the cooperation of the MATP coordinator. NCTD should not be held accountable for an inaccurate interpretation of a directive with the approval of the MATP coordinator. A copy of the Instructions and Requirements for fiscal year 2004-2005, as well as the Area Agency on Aging's directive for payer of last resort will be available at the exit interview for your viewing.

FINDING-3

The NCTD must comply with the MATP Instructions and Requirements

Excessive No-Shows

Effective July of 2006, NCTD started implementing a No-Show and Cancellation policy for all clients. The policy was approved by MATP as part of the welcome and intake packet. The policy had been issued prior to July of 2005, but was not yet approved by MATP. NCTD's No-Show/Cancellation policy is not reserved to MATP clients, but is implemented for all transportation clients regardless of billing codes. Clients were suspended and all documentation submitted and filed with few exceptions. The exceptions are limited to court ordered clients, dialysis clients, and case specific clients. In April of 2005, Carol Kehler of MATP informed the Operations Manager at NCTD that the transportation department was being over zealous in the enforcement of the No-Show/Cancellation policy. In fiscal year 2004 to 2005, there were a total of 20 clients suspended for excessive violation of the No-show policy. NCTD also sanctioned 8 clients for violating MATP rules and regulations. All clients who were suspended or sanctioned from transportation will be presented with the appropriate documentation at the exit interview. MATP pulled the records of 8 clients who were deemed to have an excessive amount of no-shows over a three month period. Most of these consumers were Psych Rehabilitation consumers. NCTD was informed that Psych Rehabilitation is not compensatory through MATP. This oversight was immediately rectified at the closing conference held by OMAP at the conclusion of the audit.

Criminal History and Child Abuse Clearances

In regards to driver criminal history and child abuse clearances, NCTD does recognize that it was negligent in obtaining said clearances. Corrective action has been taken regarding this matter, and all appropriate forms for all drivers have been submitted to the county's Human Resource department for processing.

Out of County Transportation

NCTD does not have a network for out-of-county providers. NCTD recognizes that there may be a need for out-of-county providers in the future. A network for out-of-county providers is being researched and will be implemented on a case-by-case basis depending on the cost differential between NCTD and the appropriate provider.

Purchase of Assets

MATP regulations require the purchase of assets exceeding \$10,000 be approved by the Department of Public Welfare. NCTD recently relocated its offices and did not get approval from DPW. In the future, all purchases exceeding \$10,000 dollars will be submitted to DPW and MATP for approval.

Notification of Budget Projections

NCTD did not submit revised budget projections for fiscal years 2005/2006 and 2006/2007. Throughout this period, the fiscal office has seen a turnover in personnel. In the future, NCTD will submit the Budget Revision reports in a timely fashion.

Policy and Procedures Manual

NCTD did have an operation manual prior to 2005. The manual has not been updated since 2005. The operations manual is in the process of being updated and all staff will be trained in the correct procedures as stated in the MATP Instructions and Regulations. In the meantime, a system has been put in place to help personnel at NCTD deal with issues relating to the interpretation of the MATP Instructions and Requirements manual.

FINDING-4

The provision of urgent care trips is not cost effective.

An on-call system has been in place at NCTD since it was required by MATP. The system was not widely publicized until 2006. After medical providers were made aware of urgent care services for MATP clients, the on-call system has been used more frequently. NCTD has noticed that urgent care requests are on the rise from a month to month basis. NCTD realizes the costs associated with the present on-call system do not appear cost effective. Since the present audit was performed, NCTD has extensively researched alternative possibilities to the present on-call system. At this time, a revised system that would be beneficial to MATP clients, as well as being cost effective has not been found. NCTD does not want to lower the level of care and services currently offered to MATP clients, but we do want to make the on-call system cost effective to NCTD and MATP. NCTD has requested suggestions from MATP, but have not received a viable alternative from MATP regarding the on-call system at NCTD.

OBSERVATION

A total of \$112,413 has been expended on a software program that does not meet NCTD's needs.

The cost to NCTD for [REDACTED] included \$40,000.00 for licenses for the [REDACTED] software. The remaining costs were for approximately 3 weeks of on-site staff training, data conversion from the [REDACTED] software, the purchase of our county maps and surrounding counties maps, an annual maintenance contract, and custom reports designed exclusively for NCTD's needs. [REDACTED] Software is currently working on editing our custom reports to eliminate the need to count MATP trips by type and individual rates. The new report module should be completed by the 3rd week in December.